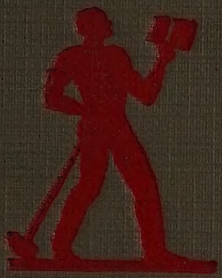
Collection

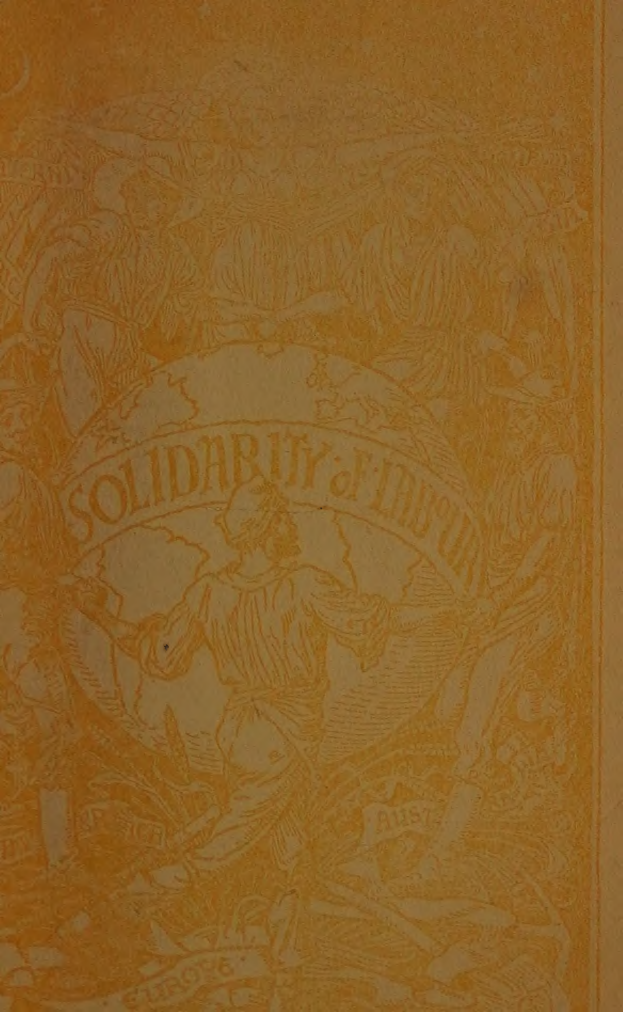
THE ESSENTIALS OF MARX

KARL MARX

ALGERNON LEE



VANGUARD
PRESS
FREEDOM
THE
VANGUARD OF
THOUGHT FOR
THE VANGUARD
OF HUMANITY


SOLIDARITY FOREVER

THE
Essentials of Marx

The Communist Manifesto

By KARL MARX and FREDERICK ENGELS

Wage-Labor and Capital, Value, Price and Profit, and Other Selections

By KARL MARX

With Introduction and Notes by
ALGERNON LEE

NEW YORK
VANGUARD PRESS

Copyright, 1926, by
VANGUARD PRESS, INC.

VANGUARD PRINTINGS
First—November, 1926
Second—April, 1927

PRINTED IN THE UNITED STATES OF AMERICA

489

CONTENTS

	Page
General Introduction	1
The Communist Manifesto	
Preface	25
Manifesto	30
Notes	66
Wage-Labor and Capital	
Introduction by Frederick Engels	71
Note on Definition of Terms	81
Wage-Labor and Capital	83
Value, Price, and Profit	113
Notes	170
The Basis of History	
The Materialistic Conception of History	176
The Proletarian Revolution	177
The Historical Tendency of Capitalist Accumulation	179
Index	183

ESSENTIALS OF MARX

GENERAL INTRODUCTION

BY ALGERNON LEE

In the field of social history all beginnings are relative. Back of whatever we may call the date of origin of any institution or movement lie the conditions and tendencies out of which it grew. With this qualification, 1848 may be counted as the birth-year of modern Socialism, and the issuance of the *Communist Manifesto* as the first step in the development of a new social force which, challenging all the accepted ideas, assailing all the established institutions, threatening all the vested interests of aristocratic and of capitalist society, boldly set itself the task of putting an end to the exploitation of man by man and of building from the bottom up a free and classless world. Obstructed by the ignorance and self-distrust of the very classes whose cause it champions, beaten down again and again by savage persecution, broken again and again by dissension within its ranks, it has rallied more strongly after each defeat, surer of itself after each schism. Launched by an obscure little group of hunted exiles, at the end of seventy-eight years it counts its adherents by the tens of millions, its organizations spread all over the civilized world, and in a number of the leading countries of Europe a slight further increase of strength will put the powers of government definitely into its hands. Such a movement is worth the trouble of understanding, even in a land where it is for the moment at low ebb.

The three little works reprinted in this volume have an

importance out of all proportion to their size. Whoever has really mastered their contents—something which cannot be done in a single hasty reading—holds the clue which will guide him in any further study of the Socialist movement and its theories. Some account of their authors and of their historic setting may help the reader to grasp their significance.

* * *

Karl Marx was born at Trier or Treves, not far from the Rhine, in March, 1818. He came of a highly cultured family, Jewish by race though not by religious belief. From his youth on he showed an insatiable thirst for knowledge and an unusual capacity for thorough and critical thinking. His first interests were in literature and languages, which he learned with great ease, but history and philosophy soon won his attention. In several years of study at the universities of Bonn and Berlin he prepared himself first for the practice of law and then, changing his plans, for the life of a teacher of philosophy. Hardly had he taken his doctor's degree, however, when it became clear to him that he could never be servile enough to the ruling powers to hold a professorship in the Germany of those days. He next turned to journalism, both as a means of livelihood and as a channel for self-expression. For a short time in 1842-'43 he edited the *Rheinische Zeitung* (Rhenish Gazette) at Cologne, but resigned when its proprietors decided to soften its opposition to the reactionary policies of the Prussian government. Marx left Germany shortly before the issuance of an order for his arrest. Settling for the time in Paris, he collaborated on the *Deutsch-Französische Jahrbücher* (German-French Yearbooks), but was expelled by the French government in 1845 and found refuge at Brussels. Here in 1847 he published his *Poverty of Philosophy*, in answer to Proudhon's *Philosophy of Poverty*. In this book the whole future development of his economic thinking is broadly foreshadowed, and it is important also as beginning to draw the line between what were later to be known as the Socialist and Anarchist movements.

The next year the Belgian government, subservient to that of France, drove him again into exile.

At Paris and Brussels, besides carrying on a tireless literary activity, of which the writings just mentioned represent but a portion, Marx had plunged into a profound study of economic science, had come into contact with refugees from many parts of Europe and with the underground movements of discontent which were then becoming very active, and had also been watching with keen interest the efforts of the British working class on both the industrial and the political field.

It was at Paris in 1844 that he met Frederick Engels, with whom he was for the rest of his life so closely associated, both as personal friend and as fellow thinker, that it is hard to say just how much either of them may have contributed to the other's work. Engels, who was two years younger than Marx, was a native of the industrial city of Barmen, also in the valley of the Rhine. Representing his father in the textile business, he had already spent some years in England, and in that country he resided mostly until his death in 1895. A man of keen and powerful mind, while his interests lay largely in the same field with those of Marx, he was more conversant than was his friend with natural science and anthropology on the one hand, and on the other hand with business and practical affairs. Within a few months after their first meeting he published his *Condition of the Working Class in England*, which was in certain aspects an epoch-making book. Of his later works the one best known to English readers is *Socialism, Utopian and Scientific*, published in 1880.

It is perhaps significant that both these men were born and reared in the Rhine country. There for centuries the forces of French and of German civilization had met and fought and trafficked, producing a blended culture of a rich and active type. Lying between the old republican strongholds of Switzerland and the Low Countries, and itself in the Middle Ages studded with all but independent free cities, it

had preserved traditions of liberty which the rule of the Hapsburgs, the Bourbons, and the Hohenzollerns had been able to repress, but not altogether to destroy, and which had been quickened into life at the beginning of the century, when Napoleon's arms had brought into Western Germany at least some of the emancipatory results of the French Revolution. Moreover, its great navigable river was the principal thoroughfare by which British travel and trade penetrated Central Europe, and into its valley machine industry, born in England, was transplanted earlier than into almost any other part of the Continent. Altogether, it was a fit nursery for internationalist, democratic, and scientifically forward-looking revolutionists.

* * *

Three powerful intellectual currents, drawn from three great and diverse nations, were assimilated, transformed, and made to produce something greater than themselves in the thought of Marx and Engels.

First there is the influence of the French materialistic philosophers of the later eighteenth century—such men as Diderot, Helvetius, d'Alembert, and Holbach. These had been forerunners of the Great Revolution, spirits of denial, ruthless critics of church and state and social convention, doubters and questioners, unwilling to believe anything on authority, confident of the power of human reason to solve every problem it might take up. Their great contribution was that they looked always to material facts, not to metaphysical abstractions nor to the alleged will of God, for the explanation of the nature of man and of society. Their weakness was that, on the whole, their thought-method was static, dealing with supposed eternal truths, not sufficiently recognizing the fact of continuous change.

The second of these influences was that of the German philosopher Hegel, who died in 1831. Marx and Engels always avowed themselves his disciples, though they turned his system topsy-turvy in using it. To Hegel, abstract ideas

were the sole reality, material things but their fleeting shadow. In this respect, his philosophy was at odds with the whole trend of modern science, and on this point Marxism takes a diametrically opposite view. But Hegel's immense service was that he thought in terms of process or evolution. Instead of saying simply "This is and that is not," he said "In every moment of its being, everything is ceasing to be what it was and becoming what it is not yet." His working-out of this conception—his so-called dialectic thought-method—cannot be explained in further detail here. A good idea of it can be obtained from Engels' *Socialism, Utopian and Scientific.* In the hands of Marx, Engels, and their successors, who combined it with reliance on observed fact as the raw material for thought, it became an instrument, not only for exploring the past and explaining the present, but for predicting the general course of future development with a degree of certainty such as no other social thinkers have attained.

To these must be added a third influence—that of the British economists, foremost among whom stood and still stands David Ricardo, author of the *Principles of Political Economy,* published in 1817. Just as Hegel was the accepted philosophical champion of Prussian nationalist monarchy, and as Marx, in developing Hegel's system, made it the philosophy of democratic internationalism, so had Ricardo's work been hailed as a complete justification of industrial capitalism, and in like wise did Marx, not destroying but fulfilling it, make it demonstrate the anti-social and ultimately self-destructive nature of the capitalist system, and thus turn it to the service of the revolutionary proletariat.

Ricardo unquestioningly accepted production for sale, private ownership of the means of production, and the relations of landlord to tenant and of employer to wage-worker as things eternal for the future, if not in the past. Taking these for granted, he analyzed with marvelous acuteness the normal inner workings of a system of production and exchange founded upon them. In the light of his demonstration, the economic laws of value, of rent, of wages, and so forth seemed

to have the same validity as the laws of gravitation or of chemical affinity. The processes by which, in the capitalist system, the incomes of wage-worker, landlord, investor, and enterpriser are determined appeared as "natural" and therefore as little to be resisted or found fault with as the motions of the earth and the alternation of the seasons. As for poverty—well, the physical world too had its painful aspects, such as cyclones and earthquakes, which those who suffered from them must bear as best they could.

To this system of thought, so comfortable for the new ruling class, Marx did two things. First, Marx the economist carried Ricardo's analysis a little farther, completed the statement of the law of value and of wages, and thereby exhibited the capitalist pure-and-simple as a parasite pure-and-simple. In other words, he showed that the actual capitalist is a collaborator in production only in so far as he still functions, not as owner of capital, but as director of industry; and that, in proportion as the growth of capital itself divorces these two functions, the capitalist becomes socially useless and harmful. In the second place, for Marx there were no finalities. Marx the historian saw the capitalist form of property as but the latest in a series of property systems, each of which by its own full development destroys itself and at the same time evolves its successor. To the strictly economic analysis he added the social-psychological analysis which brought to light the perfectly normal process by which capitalism "produces its own grave-diggers."

Such, in brief, are the roots of the theoretical system of Marx and Engels, which is the theoretical system of modern Socialism.

But Marx and Engels did not make modern Socialism out of nothing. They probably would not have worked out their theories, and even if they had done so the theories would have remained barren, had there not already existed the vague and unlinked elements of a movement of social discontent, which they were able to understand, to which they devoted themselves, and which their clear thinking greatly

helped to unify, to guide, and to inspire. Here again three main sources are to be noted, with one or two minor ones.

* * *

The speculative radicalism of such men as Rousseau, Condorcet, Priestley, Godwin, and Shelley spent itself mostly in literary effort, and never constituted an actual movement. Yet it did something to break down conservative traditions and to generate moral enthusiasm.

The Utopian socialisms of Saint-Simon, Fourier, Owen, Cabet, and other ingenious picturers of society "as it ought to be" had a little more nearly the character of a movement. In so far, however, as the attempt was made to realize their dreams by founding colonies and communities, not only did these fail, but they retarded the movement of the working class as a whole in the same way as a mirage retards the desert traveler by diverting him from his right course. On the other hand, each of these four thinkers rendered a real service by his illuminating criticism of certain aspects of the existing social order.

Of the three really vital tendencies that merged to form modern Socialism, the most general was the striving for political democracy. Even in the United States, manhood suffrage did not become fairly universal till the 1840's. Nowhere in the Old World did it prevail at that time, but in the more advanced nations of Western Europe it was being vigorously demanded. In each country, when the rising capitalist class undertook to wrest power from monarchs and aristocrats, it needed the help of all the lower classes and accordingly made democracy its slogan. In France the democratic movement triumphed in 1789-94, and then the bourgeoisie promptly kicked away the ladder by which it had climbed. Under the Directory, the Consulate, the Empire, the Bourbon Restoration of 1814-30, now broader and now narrower sections of the propertied classes monopolized political power. In the revolution of 1830 the Paris workers bore the brunt of the fighting, but when the old government

had been overthrown, the propertied classes united to seize upon the fruits of victory; and as a result, under the Orleans Monarchy, not only the artisans and wage-workers, but even a large part of the lower middle class, were excluded from political activity. Germany was yet far behind France on the road toward popular self-government. Only in some of its thirty or forty loosely connected states did even the richer bourgeois share power with the aristocrats. It was therefore still possible for the middle classes to hold democratic opinions, except in so far as they were deterred by fear of what the lower classes might do if once the revolution got under way.

As for Great Britain, by the later 1820's there came a powerful protest against the continued political monopoly of a small fraction of the population, composed chiefly of great landowners. The wage-working class, here larger and more self-conscious than in any other country, joined heartily in the movement. Violent revolution was near at hand; but in 1832 the reactionaries gave way—just enough to avert the crisis, not an inch more. The Reform Bill largely increased the representation of the industrial districts and lowered the property qualification for voters enough to take in the upper and most of the lower middle class. This gave the capitalists a dominant influence and left the urban and rural workers voteless and unrepresented. Paralyzed for a moment by the unforeseen treachery of their bourgeois allies, the workers soon rallied and launched an independent movement commonly known as Chartism, from their "People's Charter" or statement of demands, which included manhood suffrage, secret ballot, equal districts, annual elections, and payment of members. The life of this movement was marked by three great waves of activity, with intervals of depression. Its third high tide came in 1848, simultaneously with revolutionary crises all over Western and Central Europe. By 1852 it had ceased to exist. In form, Chartism was only a demand for political democracy; but, being almost exclusively a movement of wage-workers, it inevitably focussed attention on economic questions and was essentially a movement of social

revolution. Not one of its specific aims was achieved till long afterward, yet its efforts were by no means wasted. Through the fear which it put into the hearts of the ruling class it did much to promote labor legislation and other valuable reforms. What is more, it educated the workers, trained them in organized struggle, made them class-conscious.

* * *

Second among the roots of modern Socialism we must name the trade-union movement. In England some unions had existed as early as 1720. Throughout the eighteenth century, however, this kind of organization was confined to a few of the skilled hand trades. The unions were neither large nor numerous, they were locally isolated and often short-lived, and they could hardly be said to constitute a movement. But in the 1760's, 70's, and 80's the invention of the steam engine, the spinning jenny and mule, the power loom, and many other kinds of power-driven machinery brought about a great change known as the Industrial Revolution. Large factories came into existence, whose competition was ruinous to many of the old hand trades. Industrial capital was rapidly increased and concentrated. Its owners became the economically dominant class, while thousands of petty manufacturers went to the wall. Artisans and craftsmen by the tens of thousands, whether self-employers or employed in small shops, lost their custom or their jobs. In place of these old types of workingmen came a new one—the modern proletarian, necessarily a city dweller, unable to own his home, have a garden, or keep a cow, absolutely dependent on daily wages for his daily bread. Women and children could now do what had been men's work. The labor market was glutted, unemployment became chronic, wages went down, and at the very moment when wealth was being piled up as never before, the working people were plunged into unprecedented misery, from which they hardly began to emerge till the middle of the nineteenth century. Their sufferings incited them to revolt, their individual helplessness forced them

to think of united action, their aggregation in mill towns and mining centers made it easier for them to organize, their increased mobility suggested general instead of merely local organization. A real trade-union movement was beginning to be born when, as a part of the general system of reaction to which the British ruling classes resorted in their fear of the effects of the French Revolution, parliament in 1799-1800 passed the Combination Acts, which made mere membership in a union a criminal offense. For twenty-five years these laws were drastically enforced, and the normal growth of trade unionism was held in check. Secret organizations of course were formed, but spies and provocators easily found their way into them, and had much to do with inciting the campaign of machine-breaking and other violence known in history as the Luddite disturbances, for which many workingmen were hanged.

On the repeal of the Combination Acts in 1824-25 there was a hectic outburst of union organization and of strikes, followed by a sharp decline. Next came the attempt to organize the working class as a whole, rather than the various trades and industries, culminating in 1834 in the Grand National Consolidated Trades Union, which hoped to make a complete social revolution by means of the general strike. This was a fiasco, at once ridiculous and sublime. In the early 1840's there began a slow but steady growth of labor organization of a very conservative type, chiefly in the more skilled and better paid trades, but consciously revolutionary unionism did not revive in Great Britain for more than fifty years.

The story of unionism in Western and Central Europe down to the middle of the century need not detain us so long. In these regions the factory system arose from thirty to sixty years later than in Great Britain. The workingmen felt the competition of British machine-made goods, which caused great misery among them, and of course stirred them to discontent; but only in a few localities had any considerable proletariat of the modern type come into existence at the

time of which we are speaking. In general, too, the poorer classes had even less of civil rights and political liberty than their British comrades, and were therefore less able to organize on the economic field. As early as 1791 the National Assembly of the new-born French republic enacted a penal statute which forbade "any sort of combination of citizens of the same profession or trade"—a law which was rigorously enforced against labor unions, but not against employers' associations. Legislation such as this prevailed almost without interruption on the Continent until the 1860's, and in some countries much longer. Naturally there were many attempts of workers to unite secretly for economic resistance, but they had little success. It took the genius of a Marx to see in 1848 the vast historical significance of the trade unions.

* * *

And so we come to the third of the main sources of modern Socialism as a movement—that is, to certain of the underground revolutionary societies which inevitably were formed under a regime which gave no open outlet to the discontent of the oppressed classes. There were of course many secret societies which pursued only political aims of a more or less democratic character, and which had no necessary connection with the movement of the working class. But, from the time when it became evident that the French Revolution had only put a new ruling class in the saddle, conspirative organizations among the lower strata of the population, aiming to translate the formula "Liberty, Equality, Fraternity," into economic fact, were always on the order of the day. The earliest and most famous was the Society of Equals led by François Noel Babeuf, which in 1795-96 planned to overthrow the French government by armed insurrection, nationalize the land, and reorganize the whole population on a communistic basis. The plot was discovered, Babeuf and one other were guillotined, a number were imprisoned or driven into exile, and the society disappeared. But for more than half a century thereafter, especially in

France, but also in other parts of Europe, groups of a more or less similar sort were forever being formed, unearthed, broken up, and formed again.

This underground communism was in general of a utopian character. That is, to use Plekhanoff's expression, "starting from an abstract principle it sought to devise a perfect society." Like the Saint-Simonians or the Fourierites, each group had its ready-made scheme, which was in general based, not on a study of the actual tendencies of economic development, but on some particular conception of justice or equality or other moral abstraction. But whereas the former expected all "good" people, regardless of class, to accept their proposals as soon as they understood them, these conspirative communists were free from that illusion. They did not imagine that they could persuade the propertied classes to abdicate; they relied, perhaps not specifically on the working class, but at any rate on the "poor and oppressed" in general, who they thought, would rally to them whenever they were ready to raise the standard of revolt and impose the new system by armed force. In a sense, too, their schemes were often backward-looking, in that they aimed to revive local small-scale production by hand labor, rather than to socialize the economies of the now rapidly developing system of great machine industry. In these respects, however, some clarification of ideas went on among the underground communists in the course of the half-century. As, with the growth of modern industry, "the poor" came to be more nearly synonymous with "the wage-working class," this type of communism took on a more definite class character. In any event, it kept alive a seed-fire of social aspiration among masses whose wretchedness might otherwise have reduced them to utter degradation and impotence.

In 1836 there was organized a society which called itself the League of the Just and which had its headquarters for some time in Paris, but afterwards in London. In the beginning its membership was made up almost wholly of Germans and German-speaking Swiss. There were among them few in-

dustrial wage-workers of the modern type. The majority were skilled hand workers—tailors, shoe makers, watch makers, cabinet makers, and so forth—and with these were mingled a good many intellectuals whose ideas had set them at odds with existing institutions and who more or less understandingly sympathized with the working class. Many of them, and those the most prominent, were political refugees. At first a conspirative group of the Babeuvist type, the League of the Just developed rather into a propaganda society, which sought to prepare the way for a mass movement. While not able itself to throw off the veil of secrecy, it organized wherever possible workingmen's educational societies, which held open meetings for the discussion of social questions, and in which its own members naturally played the leading part. This kind of activity reacted upon the mother organization. Utopian creed gradually gave way to critical thinking. At the same time, through the adhesion of a considerable number of Scandinavian, Dutch, Hungarian, Polish, Russian, and other exiles and of some English workingmen, it acquired an international character.

Marx and Engels were in touch with this organization as early as 1844, though they did not join it till 1847. Early in this year it was becoming obvious that another revolutionary crisis was near at hand, and the leaders of the League of the Just felt that it was necessary for that body to define its ideas more clearly and to determine upon a course of action to be pursued when the open struggle should begin. For this purpose two congresses of the League were held in London, one in August, the other at the end of November. Engels was a delegate to both gatherings, Marx only to the second one.

At the August meeting the society was thoroughly reorganized on a more democratic basis, the propaganda of communistic ideas and the organization of the toiling masses for self-directed action were definitely accepted as its purpose, its international character was strongly emphasized, and the passing of its former utopian, sentimental, and conspirative

aspects was symbolized by the adoption of a new name—that of Communist League—and by the substitution for its old motto, "All men are brothers," of the aggressive slogan, "Proletarians of all countries, Unite!" The November congress, at which English, French, German, Belgian, and Swiss branches were represented, devoted ten full days to a thorough discussion of principles and of the manner in which they were expressed in a manifesto which it had been resolved to put forth. The proposals of Marx and Engels were accepted and by a unanimous vote these two men were commissioned to put them into final shape for publication in the name of the League. Early in February, 1848, they fulfilled this mandate by delivering to the printer the original German text of the *Communist Manifesto,* which was almost immediately translated and published also in the French language.

* * *

In that same month the storm burst in Paris. The monarchy fell, and for a little while the Second Republic seemed to offer a possibility for the realization of the communist ideal of economic freedom and equality. But the upper and lower bourgeoisie joined forces and, with the support of the peasant class, made it clear that the rights of labor must count for nothing as against the interests of profit-making property. In June the proletariat met reaction with revolt, but their rising was drowned in blood. The mutual antagonisms of the propertied classes then broke loose and soon destroyed the republic. In its place, from 1852 till 1870, stood the Second Empire of Louis Napoleon, founded on the consent and promising to serve the interests of the masses of the people, but undemocratic in its very essence, and in practice increasingly dominated by financiers, militarists, priests, and police-spies.

In the year 1848 revolutionary disturbances had broken out also in Germany, Austria, Hungary, Switzerland, Italy, and elsewhere, and were participated in by the most varied elements, some striving only for national independence, some

for more or less complete democratization of government, some looking beyond political to social-economic aims. The Communists fought bravely wherever they saw an opening. But within two years the forces of reaction had triumphed all along the line. On the surface, it looked as though nothing had been gained, and not until the sixties did the revolutionary elements even begin once more to raise their heads. One thing, however, had been gained—a fund of bitter but valuable experience.

Marx himself went back to Germany early in 1848, where he edited the *Neue Rheinische Zeitung* (New Rhenish Gazette) and threw all his energies into the struggle. When the fight was lost he returned to London, and here he dwelt from that time till his death in 1883. For a number of years he and his family suffered great hardship, his only regular income being the pound a week that Greeley's *New York Tribune* paid for his correspondence on European affairs. Most of his other writing was unremunerative. Engels was able to spare him a small sum from time to time. Later, when Engels became fairly wealthy, Marx's modest wants were amply cared for, and such was the relation between the two friends that this involved no sense of patronage or dependence.

Marx's activities and his writing henceforth fall into two classes—those which have to do directly with current events in the movement, and those which embody the systematic statement of his economic thought. Yet these are by no means unconnected. Marx the publicist was also Marx the theoretician; for him every question of organization or party tactics involved the application of scientific principles, while theoretical study was valuable only as it enabled the movement to understand the world and guide its own conduct.

Under the first head come three works of contemporary history—*Revolution and Counter-Revolution,* which deals with Germany in 1848; *The Class Struggle in France* and *The Eighteenth Brumaire of Louis Bonaparte,* which together cover the rise and fall of the Second Republic. To this group belong

also the statutes of the International Workingmen's Association and several addresses of its General Council, in the period from 1864 to 1873, among them those called forth by the Paris Commune of 1871, generally known under the title *The Civil War in France.*

The lull in revolutionary activity which prevailed for a dozen years after 1850 and again, at least in France, for a long time after 1871, gave Marx more leisure than he had hitherto been able to devote to strictly economic research and thought. In 1859 his studies in this field bore fruit in the publication of a volume entitled *A Contribution to the Critique of Political Economy.* This, however, was but the prelude to a greater work. In 1867 appeared the first volume of his monumental work *Capital,* dealing with "The Process of Capitalist Production." Poor health, as well as preoccupation with the affairs of the contemporary movement, hampered Marx in the further prosecution of this work. At his death in 1883 he left a huge mass of manuscript, in various stages of completion, which Engels, now sixty-three years of age, undertook to edit and publish. In 1893 and '94 respectively, he brought out the second and third volumes, which deal with "The Process of the Circulation of Capital" and "The Process of Capitalist Production as a Whole." When Engels died in 1895 there remained a considerable manuscript, treating in a critical manner of the history of economic thought, which was subsequently edited by Karl Kautsky and published under the title *Theories of Surplus Value.*

While performing this vast labor, Marx found time for a very heavy correspondence—the letters exchanged between him and Engels alone fill four large volumes—and for many lectures, besides writing numerous articles for German, French, and English periodicals. Some of these minor works are of inestimable value.

* * *

This introduction makes no pretence either to explain, even in broad outline, the body of economic and historico-philosophical thought known as Marxism, or even hastily to

sketch the development of that indomitable Socialist move-ment of which Marxism is the theoretical expression. All that has been attempted in the preceding pages is to point out the sources from which both the movement and the theory were derived and the circumstances under which they first took definite form, thus indicating their place in the whole social-political history of the modern world, and to tell so much of the life-story of the two great thinkers and leaders as is necessary to that end. It remains to say a few words which may help to the understanding of the three small Marxian classics contained in this volume, or to forestall certain possible misunderstandings.

The *Communist Manifesto*, whose origin has already been related, is a truly unique work. In form it is the campaign address of a special group issued in a special emergency. But the campaign has proved to be an age-long one, and the group has grown into a world-wide class movement. Moreover, while the writers of this proclamation of course could not foresee just how remote victory might be, nor just what vicissitudes might intervene, they knew well enough that 1848 was to be but one battle in a very prolonged conflict, and that the class struggle then beginning to take definite shape involved issues far more fundamental than had any revolution of the past. They knew also that, while historical events are acts of human will, yet what men will to do is determined by the conditions under which they act, and above all by their economic status and relations. In their view, therefore, all class struggles were explainable and predictable through study of the development of the means of production and exchange and the forms of property. Accordingly, when called upon to write a campaign document, they wrote not only as party leaders and agitators, but also as historians—and again, as historians not of the past only, but of the future as well. Through whole pages of the first section they give in the present tense a vivid account of historical processes which, even in England, the first home of modern industrial capitalism, had at that time hardly more

than well begun. Three-quarters of a century later we can find some error in the details of their prediction, but in its essentials it has been or is being fulfilled.

The reader will note that the *Communist Manifesto* consists of four sections. Of the first section and a large part of the second—to the exclusion, however, of the "immediate program" near its close—it may with some qualification be said that they are as live now as when they were first given to the world. The third and fourth sections deal in the main with movements and tendencies that no longer exist, at least in their old forms. If read without due recognition of this fact, they are in part unintelligible, in part misleading. To the serious student of social history, however, they have their value.

At this point we must take up the question of party names. Marx and his associates in 1848 called themselves Communists and spoke critically, in some cases scornfully, of various species of Socialism and Social-Democracy. To the casual reader this may be confusing. He may conclude that only those who now bear the name of Communists can rightly claim to be Marxians, and that the existing Socialist or Social-Democratic parties deserve all the reproaches Marx heaped upon those who were so called in 1848. This is by no means the case.

It is necessary to remember that words often change their meaning in the course of time. Especially is this true of the names of parties. Many examples might be given, but two must suffice. In the history of France and also of several Latin American republics, the advocates of a decentralized form of government have always been known as Federalists; but when we speak of Federalism in the United States, we mean the party which, during the first thirty years of our national existence, strove to exalt the powers of the central government. In France or in Mexico, Jefferson would have been called a Federalist; in this country it was Hamilton who bore that name. Again, the Jeffersonian opponents of centralization and upholders of "states' rights" called them-

selves Republicans; but ever since 1856 we have had a Republican party proclaiming and acting upon the principle for which Hamilton stood in his time.

Just such a shifting of names has taken place in the history of the revolutionary movement of the proletariat. Within twenty-five years after the *Communist Manifesto* was written, its authors were calling themselves Socialists, while the name of Communist was becoming attached to certain elements with whom they sharply disagreed—especially to those who dreamed of dissolving modern society into innumerable little "communes" or autonomous communities. The conflict between the tendencies represented by Marx and by Michael Bakunin, which culminated in a complete splitting of the International in 1872-73, made it necessary to distinguish more sharply. As the Socialist name might be claimed by either wing, the Marxians often preferred to be designated as Social-Democrats. In the course of time the followers of Bakunin—notable among them Peter Kropotkin—took to calling themselves Communist-Anarchists; moreover, toward the end of the century their movement rapidly declined; thenceforth Socialist and Social-Democratic remained as synonymous appellations, either of which might be applied to such men as Engels, Bebel, Liebknecht, Kautsky, Bernstein, Adler, Plekhanoff, Turati, Guesde, Lafargue, Vaillant, Jaurès, Vandervelde, Hyndman, Hardie. In some countries the party bore one of these names, in some the other; and there were variant titles, such as Labor party, Independent Labor party, Socialist Labor party, Social-Democratic Labor party, while at one period the word "Collectivist" was often used to designate the same ideas and tendencies.

Finally, the problems raised by the World War and the Russian Revolution brought on another great schism in the Socialist movement. By 1919 it was everywhere so definitely split into two distinct camps that it was no longer possible for both to use the same party name. On the one side stood the Bolshevist or majority wing of the old Russian Social Democracy, with Nikolai Lenin as its foremost leader, and

along with it larger or smaller groups in all other countries. These resumed the party designation which had been used by Marx and his associates in the 1848 period. They constitute the Communist parties of the various countries (that of the United States calls itself Workers' party) which are linked together in the Third or Communist International, with headquarters at Moscow. On the other hand, those who reject Bolshevist theory and tactics continue to call themselves Socialists or Social-Democrats, and their national organizations are affiliated with the Socialist and Labor International, whose headquarters are at Zurich. Each of these factions claims for itself and more or less emphatically denies to the other the right to be considered as the legitimate continuation of the movement which first took definite form with the issuance of the *Communist Manifesto*. The plan of this introduction does not permit a discussion here of these conflicting claims.

It has been said a little ways back that "with some qualification" the greater part of the *Communist Manifesto* may be considered as live today as it was in 1848.

One qualification has to do with the tone of the controversial parts. In our day many readers are scandalized at the vehemence with which the spokesmen of the Communist League hurled back the accusations of their adversaries. Let those who are shocked read what pious clergymen and learned professors in this country have written against Paine and Jefferson, against Jackson, against the Abolitionists, against the early advocates of Woman Suffrage—not to mention the utterances of many eminent "hundred-percent Americans" during and since the war—and they will get some idea of the flood of shameless slander which it was necessary for Marx and Engels to repel. Certainly they wrote with passion and sometimes exaggerated for the sake of emphasis. Rhetoric has its place, when there is honest feeling behind it. And after all, what made their most savage taunts rankle so deeply is the fact that in substance they were true.

The second and more important qualification is of a different sort. Of the *Communist Manifesto*, even more than of

most books, it is to be said: "The letter killeth, but the spirit giveth life." To be valuable, Marx's writings must be read in a Marxian spirit. That which makes Marxism one of the greatest products of the human intellect is its power of growth through self-criticism. Marx himself had scant patience with those who froze his living thoughts into frigid formulas, who treated a historical analysis as if it were meant to be a sacred code. Superficial or disingenuous opponents of Socialism cannot be prevented from speaking of the *Communist Manifesto* as "the Gospel according to Saint Karl" and by their own shallow interpretation making much of it appear false and absurd. The intellectually honest student, not to say the intelligent Socialist, in reading this little book, will say to himself: "This is the way a great thinker expressed his thought under such-and-such circumstances at such-and-such a stage in the development of the capitalist system and of the working-class movement. What can I draw from it to help me, not in flooring an opponent nor in 'putting over' some pet project, but in understanding the problems of the movement at this later stage of its development?" To one who uses it thus, the study of the *Communist Manifesto* is worth all the effort it may cost.

* * *

The inclusion in this volume of Engels' elaborate introduction makes it superfluous to say much here about *Wage-Labor and Capital*, which, although it bears Marx's name, may be regarded as a joint work, in view of the very thorough editing it underwent at the hands of his surviving friend.

Marxian economic and social theory cannot be fully stated in the space of forty pages; but as nearly as that is possible, it is done in this remarkable work. It is more than a statement of economic theory, for it leads up to a conclusion whose importance as a rule of working-class tactics can hardly be overestimated. There is no better illustration of Marx's masterly use of dialectic than in his treatment of the paradox that the interests of capitalists and wage-workers as individuals, and likewise those of the bourgeoisie and the proletariat

as classes, are at the same time mutually dependent and diametrically opposed. It follows that the right policy for the working class is not one of opposition pure-and-simple, any more than it is one of collaboration pure-and-simple; that anything which hampers or distorts the normal growth of capitalism retards or perverts the progress of the working class as well; that the emancipation of labor can be achieved only when the full development of capitalism and of the class struggle within it shall have endowed the proletariat with the capacity to "grasp this sorry frame of things entire" and—not

"shatter it to bits and *then*
"Remold it nearer to the heart's desire"—

not just to destroy capitalism and afterward build something else in its place, but to bring it to an end by the positive process of transforming it into that desired something-else. It is at this point that Socialism parts company with Anarchism and Anarcho-Syndicalism, as well as with agrarian and petty-bourgeois movements such as that of our Populists in the 1890's; and at this point, the Socialists hold, Neo-Communism has parted company with Marx.

To set the reader on the right track for understanding *Value, Price, and Profit,* which is much more difficult than the other two works here presented, it is necessary to impress upon him the fact that in writing it Marx was not trying to state his economic theory as a whole, but was dealing with one specific question—a very practical question, which he characteristically treated as one of theory. We have no record of the speeches of Weston, to which this is a reply. It is clear, however, that Weston upheld a thesis which is dear to the hearts of all enemies of the labor movement, but which, alas! is too often accepted in good faith by men of Weston's type—workingmen or honest friends of labor who have begun to think in the field of economics but have not thought far enough—the thesis, namely: That every increase in the workers' wages results in at least an equal increase in their cost of living, and that accordingly it is a waste of

energy for them to struggle for higher wages. If this were true, trade unionism would be a tragic mistake. Marx took up the task of showing that it is not true. Such is the origin of this rather abstruse, but yet fascinating work, which lay in manuscript till some years after its author's death, and was then printed with but slight editing by his daughter Eleanor and her husband Edward Aveling.

In addition to the three works printed in full in this volume there are included at the end small portions of three other books, each of which standing by itself has a certain completeness. First comes the short passage in the preface to Marx's *Critique of Political Economy* in which the materialistic conception of history is tersely summarized. The second is a chapter on "The Historical Tendency of Capitalist Accumulation" which occurs near the end of the first volume of *Capital*. Finally, we include the first page or two of *The Eighteenth Brumaire of Louis Bonaparte*, in which Marx contrasts the proletarian revolution—"the revolution of the nineteenth century," as he too sanguinely calls it—with all the revolutions of the past.

* * *

This introduction has grown far beyond the space originally allotted to it. It may be further extended only so far as is needful to give, not properly speaking a bibliography, but a few suggestions to those who may wish to make a somewhat thorough study of Socialism. Only books available in English are mentioned.

Either Morris Hillquit's *Socialism in Theory and Practice* (1909) or Harry W. Laidler's *Socialism in Thought and Action* (1920) gives a good general treatment. A. S. Sachs' *Basic Principles of Scientific Socialism* (1923) lays more stress than either of these on the theoretical aspects of the subject.

For a narrative account of the Socialist movement, the most convenient source is Thomas Kirkup's *History of Socialism*, which was first published in 1892, but was edited and brought down to date by Edward R. Pease in 1913. It hardly gives

sufficient attention to the struggle on the industrial field. This lack may be made up by reading either C. M. Lloyd's *Trade Unionism* (1919) or *The World of Labor* (1919), by G. D. H. Cole.

To get back to the classics—Engels' *Socialism, Utopian and Scientific* ought to prove readable and instructive to anyone who has fairly well mastered the *Communist Manifesto* or *Wage-Labor and Capital.* Plekhanoff's *Anarchism and Socialism* is a small and very valuable book by one of the immediate followers of Marx and Engels, which has an importance far beyond what is suggested by its title.

Of all the attempts to abridge and popularize *Capital,* only one seems to the present editor more than moderately successful. This one is Karl Kautsky's *Economic Doctrines of Karl Marx,* first published in German in 1893, of which a good English translation came out in 1925. In the same year, by the way, appeared a translation of Kautsky's more recent work, *Die Proletarische Revolution* (1922), under the not quite satisfactory title *The Labour Revolution.*

As for *Capital* itself, even the first volume alone is not only a big book, but a difficult one. If the reader is in earnest, however, he will not find the difficulties insuperable. He who would undertake it may be advised to read first, not only the popularization by Kautsky mentioned just above, but also a very little book by A. D. Lindsay, Master of Balliol College at Oxford, entitled *Karl Marx's Capital: An Introductory Essay,* published in 1925. Lindsay understands the Marxian thought-method as have very few English or American writers, and he has an exceptional faculty for making it clear to the unlearned.

One closing word—let no one suppose that he can gain a real knowledge of Socialism as a living movement from the study of books alone. To vitalize what he gets from such study, he should observe the movement itself by following its periodicals and propaganda literature and if possible by attending Socialist mass meetings and lectures.

PREFACE TO "THE COMMUNIST MANIFESTO"

BY FREDERICK ENGELS

THE *Manifesto* was published as the platform of the Communist League, a working-men's association, first exclusively German, later on international, and, under the political conditions of the Continent before 1848, unavoidably a secret society. At a Congress of the League, held in London in November, 1847, Marx and Engels were commissioned to prepare for publication a complete theoretical and practical party-program. Drawn up in German, in January, 1848, the manuscript was sent to the printer in London a few weeks before the French revolution of February 24. A French translation was brought out in Paris shortly before the insurrection of June, 1848. The first English translation, by Miss Helen Macfarlane, appeared in George Julian Harney's *Red Republican*, London, 1850. A Danish and a Polish edition had also been published.

The defeat of the Parisian insurrection of June, 1848—the first great battle between Proletariat and Bourgeoisie—drove again into the background, for a time, the social and political aspirations of the European working class. Thenceforth the struggle for supremacy was again, as it had been before the revolution of February, solely between different sections of the propertied class; the working class was reduced to a fight for political elbow-room, and to the position of extreme wing of the middle-class Radicals.[1] Wherever independent proletarian movements continued to show signs of life they were ruthlessly hunted down. Thus the Prussian police hunted out the Central Board of the Communist League, then located in

Cologne. The members were arrested, and, after eighteen months' imprisonment, they were tried in October, 1852. This celebrated "Cologne Communist Trial" lasted from October 4 till November 12; seven of the prisoners were sentenced to terms of imprisonment in a fortress, varying from three to six years. Immediately after the sentence the League was formally dissolved by the remaining members. As to the *Manifesto*, it seemed to be thenceforth doomed to oblivion.

When the European working class had recovered sufficient strength for another attack on the ruling classes, the International Working Men's Association sprang up. But this association, formed with the express aim of welding into one body the whole militant proletariat of Europe and America, could not at once proclaim the principles laid down in the *Manifesto*. The International was bound to have a program broad enough to be acceptable to the English trades unions, to the followers of Proudhon in France, Belgium, Italy, and Spain, and to the Lassalleans[2] in Germany. Marx, who drew up this program to the satisfaction of all parties, trusted entirely to the intellectual development of the working-class, which was sure to result from combined action and mutual discussion. The very events and vicissitudes of the struggle against capital, the defeats even more than the victories, could not help bringing home to men's minds the insufficiency of their various favorite nostrums, and preparing the way for a more complete insight into the true conditions of working-class emancipation. And Marx was right. The International, on its breaking up in 1874, left the workers quite different men from what it had found them in 1864. Proudhonism in France, Lassalleanism in Germany, were dying out, and even the conservative English trades unions, though most of them had long since severed their connection with the International, were gradually advancing towards that point at which, last year at Swansea, their President could say in their name, "Continental Socialism has lost its terrors for us." In fact, the principles of the *Manifesto* had made considerable headway among the working men of all countries.

The *Manifesto* itself thus came to the front again. The German text had been, since 1850, reprinted several times in Switzerland, England, and America. In 1872 it was translated into English in New York, where the translation was published in *Woodhull and Claflin's Weekly*. From this English version a French one was made in *Le Socialiste* of New York. Since then at least two more English translations, more or less mutilated, have been brought out in America, and one of them has been reprinted in England. The first Russian translation, made by Bakunin, was published at Herzen's *Kolokol* office in Geneva, about 1863; a second one, by the heroic Vera Zasulitch, also in Geneva, 1882. A new Danish edition is to be found in the *Socialdemokratisk Bibliothek*, Copenhagen, 1885; a fresh French translation in *Le Socialiste*, Paris, 1886. From this latter a Spanish version was prepared and published in Madrid, 1886. The German reprints are not to be counted; there have been twelve altogether, at the least. An Armenian translation, which was to be published in Constantinople some months ago, did not see the light, I am told, because the publisher was afraid of bringing out a book with the name of Marx on it, while the translator declined to call it his own production. Of further translations into other languages I have heard, but have not seen them. Thus the history of the *Manifesto* reflects, to a great extent, the history of the modern working-class movement; at present it is undoubtedly the most widespread, the most international production of all Socialist literature, the common platform acknowledged by millions of working men from Siberia to California.

Yet, when it was written we could not have called it a Socialist Manifesto. By Socialists, in 1847, were understood, on the one hand, the adherents of the various Utopian systems: Owenites in England, Fourierists in France, both of them already reduced to the position of mere sects, and gradually dying out; on the other hand, the most multifarious social quacks, who, by all manners of tinkering, professed to redress, without any danger to capital and profit, all sorts of social grievances—in both cases men outside the working-

class movement, and looking rather to the "educated" classes for support. Whatever portion of the working class had become convinced of the insufficiency of mere political revolutions, and had proclaimed the necessity of a total social change, that portion, then, called itself Communist. It was a crude, rough-hewn, purely instinctive sort of Communism; still, it touched the cardinal point and was powerful enough among the working class to produce the Utopian Communism, in France, of Cabet, and in Germany, of Weitling. Thus, Socialism was, in 1847, a middle-class movement, Communism a working class movement. Socialism was, on the Continent at least, "respectable"; Communism was the very opposite. And as our notion, from the very beginning, was that "the emancipation of the working class must be the act of the working class itself," there could be no doubt as to which of the two names we must take. Moreover, we have ever since been far from repudiating it.

The *Manifesto* being our joint production, I consider myself bound to state that the fundamental proposition which forms its nucleus belongs to Marx. That proposition is: That in every historical epoch the prevailing mode of economic production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch; that consequently the whole history of mankind (since the dissolution of primitive tribal society, holding land in common ownership) has been a history of class struggles, contests between exploiting and exploited, ruling and oppressed classes; that the history of these class struggles forms a development in which a stage has now been reached where the exploited and oppressed class—the proletariat—cannot attain its emancipation from the sway of the exploiting and ruling class—the bourgeoisie—without, at the same time, and once for all, emancipating society at large from all exploitation, oppression, class-distinction and class struggles.

This proposition which, in my opinion, is destined to do for

history what Darwin's theory has done for biology, both of us had been gradually approaching for some years before 1845. How far I had independently progressed towards it is best shown by my *Condition of the Working Class in England.* But when I again met Marx at Brussels, in the spring of 1845, he had it ready worked out, and put it before me in terms almost as clear as those in which I have stated it here.

From our joint preface to the German edition of 1872, I quote the following:

"However much the state of things may have altered during the last twenty-five years, the general principles laid down in this *Manifesto* are, on the whole, as correct to-day as ever. Here and there some detail might be improved. The practical application of the principles will depend, as the manifesto itself states, everywhere and at all times, on the historical conditions for the time being existing, and, for that reason, no special stress is laid on the revolutionary measures proposed at the end of Section II. That passage would, in many respects, be very differently worded to-day. In view of the gigantic strides of modern industry since 1848, and of the accompanying improved and extended organization of the working class, in view of the practical experience gained, first in the February Revolution, and then, still more, in the Paris Commune, where the proletariat for the first time held political power for two whole months, this program has in some details become antiquated. One thing especially was proved by the Commune—namely, that "the working class cannot simply lay hold of the ready-made state machinery and wield it for its own purposes." (See *The Civil War in France; Address of the General Council of the International Workingmen's Association,* where this point is further developed). Further, it is self-evident that the criticism of socialist literature is deficient in relation to the present time, because it comes down only to 1847; also, that the remarks on the relation of the Communists to the various opposition-parties (Section IV), although in principle still correct, yet in practice are antiquated, because the political situation has been entirely

changed, and the progress of history has swept from off the earth the greater portion of the political parties there enumerated.

But then, the *Manifesto* has become a historical document which we have no longer any right to alter.

The present translation is by Mr. Samuel Moore, the translator of the greater portion of Marx's *Capital*. We have revised it in common, and I have added a few notes explanatory of historical allusions.

London, January 30, 1888.

MANIFESTO OF THE COMMUNIST PARTY

BY KARL MARX AND FREDERICK ENGELS

A SPECTRE is haunting Europe—the spectre of Communism. All the Powers of old Europe have entered into a Holy Alliance to exorcise this spectre; Pope and Czar, Metternich and Guizot, French Radicals and German police-spies.

Where is the party in opposition that has not been decried as communistic by its opponents in power? Where the opposition that has not hurled back the branding reproach of Communism against the more advanced opposition parties, as well as against its reactionary adversaries?

Two things result from this fact.

I. Communism is already acknowledged by all European Powers to be itself a Power.

II. It is high time that Communists should openly, in the face of the whole world, publish their views, their aims, their tendencies, and meet this nursery tale of the Spectre of Communism with a Manifesto of the party itself.

To this end, Communists of various nationalities have assembled in London and sketched the following Manifesto, to be published in the English, French, German, Italian, Flemish, and Danish languages.

I

BOURGEOIS AND PROLETARIANS

The history of all hitherto existing society [3] is the history of class struggles.

Freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on uninterrupted, now hidden, now open fight, a fight that each time ended, either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.[4]

In the earlier epochs of history we find almost everywhere a complicated arrangement of society into various orders, a manifold gradation of social rank. In ancient Rome we have patricians, knights, plebeians, slaves; in the middle ages, feudal lords, vassals, guild-masters, journeymen, apprentices, serfs; in almost all of these classes, again, subordinate gradations.

The modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of the old ones.

Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature; it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other: Bourgeoisie and Proletariat.

From the serfs of the Middle Ages sprang the chartered burghers of the earliest towns. From these burgesses the first elements of the bourgeoisie were developed.

The discovery of America, the rounding of the Cape, opened up fresh ground for the rising bourgeoisie. The East Indian and Chinese markets, the colonization of America, trade with the colonies, the increase in the means of exchange and in commodities generally, gave to commerce, to navigation, to industry, an impulse never before known, and there-

by, to the revolutionary element in the tottering feudal society, a rapid development.

The feudal system of industry, under which industrial production was monopolized by close guilds, now no longer sufficed for the growing wants of the new market. The manufacturing system [5] took its place. The guild-masters were pushed on one side by the manufacturing middle class; division of labor between the different corporate guilds vanished in the face of division of labor in each single workshop.

Meantime the markets kept ever growing, the demand ever rising. Even manufacture no longer sufficed. Thereupon, steam and machinery revolutionized industrial production. The place of manufacture was taken by the giant Modern Industry, the place of the industrial middle-class, by industrial millionaires, the leaders of whole industrial armies, the modern bourgeois.

Modern industry has established the world-market, for which the discovery of America paved the way. This market has given an immense development to commerce, to navigation, to communication by land. This development has, in its turn, reacted on the extension of industry; and in proportion as industry, commerce, navigation, railways extended, in the same proportion the bourgeoisie developed, increased its capital, and pushed into the background every class handed down from the Middle Ages.

We see, therefore, how the modern bourgeoisie is itself the product of a long course of development, of a series of revolutions in the modes of production and of exchange.

Each step in the development of the bourgeoisie was accompanied by a corresponding political advance of that class. An oppressed class under the sway of the feudal nobility; an armed and self-governing association in the medieval commune, (here independent urban republic, as in Italy and Germany, there taxable " third estate" of the monarchy, as in France); afterwards, in the period of manufacture proper, serving either the semi-feudal or the absolute monarchy as a counterpoise against the nobility, and in fact corner stone of

the great monarchies in general—the bourgeoisie has at last, since the establishment of modern industry and of the world-market, conquered for itself, in the modern representative state, exclusive political sway. The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.

The bourgeoisie, historically, has played a most revolutionary part.

The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idylic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his "natural superiors," and has left no other nexus between man and man than naked self-interest, than callous "cash payment." It has drowned the most heavenly ecstasies of religious fervor, of chivalrous enthusiasm, of philistine sentimentalism, in the icy water of egotistical calculation. It has resolved personal worth into exchange value, and in place of the numberless indefeasible chartered freedoms, has set up that single, unconscionable freedom—Free Trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation.

The bourgeoisie has stripped of its halo every occupation hitherto honored and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage laborers.

The bourgeoisie has torn away from the family its sentimental veil, and has reduced the family relation to a mere money relation.

The bourgeoisie has disclosed how it came to pass that the brutal display of vigor in the Middle Ages, which reactionists so much admire, found its fitting complement in the most slothful indolence. It has been the first to show what man's activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals; it has conducted expeditions that put in the shade all former exoduses of nations and crusades.

The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into the air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind.

The need of a constantly expanding market for its products drives the bourgeoisie over the whole surface of the globe. It must elbow-in everywhere, settle everywhere, establish connections everywhere.

The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country. To the great chagrin of reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production. The intellectual creations of

individual nations become common property. National one-sidedness and narrowmindedness become more and more impossible, and from the numerous national and local literatures there arises a world-literature.

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian nations, into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, *i.e.*, to become bourgeois themselves. In a word, it creates a world after its own image.

The bourgeoisie has subjected the country to the rule of the towns. It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life.[6] Just as it has made the country dependent on the towns, so it has made barbarian and semi-barbarian countries dependent on civilized ones, nations of peasants on nations of bourgeois, the East on the West.

The bourgeoisie keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated population, centralized means of production, and has concentrated property in a few hands. The necessary consequence of this was political centralization. Independent, or but loosely connected provinces, with separate interests, laws, governments, and systems of taxation, became lumped together in one nation, with one government, one code of laws, one national class-interest, one frontier and one customs' tariff.

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of nature's forces to man, machinery, application of chemistry to

industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?

We see then, the means of production and of exchange on whose foundation the bourgeoisie built itself up, were generated in feudal society. At a certain stage in the development of these means of production and of exchange, the conditions under which feudal society produced and exchanged, the feudal organization of agriculture and manufacturing industry—in one word, the feudal relations of property—became no longer compatible with the already developed productive forces; they became so many fetters. They had to burst asunder; they were burst asunder.

Into their places stepped free competition, accompanied by a social and political constitution adapted to it, and by the economical and political sway of the bourgeois class.

A similar movement is going on before our own eyes. Modern bourgeois society with its relations of production, of exchange, and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer, who is no longer able to control the powers of the nether world whom he has called up by his spells. For many a decade past, the history of industry and commerce is but the history of the revolt of modern productive forces against modern conditions of production, against the property relations that are the conditions for the existence of the bourgeoisie and of its rule. It is enough to mention the commercial crises that by their periodical return put on its trial, each time more threateningly, the existence of the entire bourgeois society. In these crises a great part not only of the existing products, but also of the previously created productive forces, are periodically destroyed. In these crises there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production. Society suddenly finds itself put back into a state of momen-

tary barbarism; it appears as if a famine, a universal war of devastation, had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilization, too much means of subsistence, too much industry, too much commerce. The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary, they have become too powerful for these conditions by which they are confined, and as soon as they overcome these limitations they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois property. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.

The weapons with which the bourgeoisie felled feudalism to the ground are now turned against the bourgeoisie itself.

But not only has the bourgeoisie forged the weapons that bring death to itself; it has also called into existence the men who are to wield those weapons—the modern working class—the proletarians.

In proportion as the bourgeoisie,—that is, as capital, is developed, in the same proportion is the proletariat, the modern working class, developed, a class of laborers who live only so long as they find work, and who find work only so long as their labor increases capital. These laborers, who must sell themselves piecemeal, are a commodity, like every other article of commerce,[7] and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market.

Owing to the extensive use of machinery and to division of labor, the work of the proletarians has lost all individual character, and, consequently, all charm for the workman.

He becomes an appendage of the machine, and it is only the most simple, most monotonous, and most easily acquired knack that is required of him. Hence, the cost of production of a workman is restricted almost entirely to the means of subsistence that he requires for his maintenance, and for the propagation of his race. But the price of a commodity, and also of labor, is equal to its cost of production. In proportion, therefore, as the repulsiveness of the work increases the wage decreases. Nay more, in proportion as the use of machinery and division of labor increase, in the same proportion the burden of toil increases, whether by prolongation of the working hours,[8] by increase of the work enacted in a given time, or by increased speed of the machinery, and so forth.

Modern industry has converted the little workshop of the patriarchal master into the great factory of the industrial capitalist. Masses of laborers, crowded into factories, are organized like soldiers. As privates of the industrial army they are placed under the command of a perfect hierarchy of officers and sergeants. Not only are they the slaves of the bourgeois class and of the bourgeois state, they are daily and hourly enslaved by the machine, by the foreman, and, above all, by the individual bourgeois manufacturer himself. The more openly this despotism proclaims gain to be its end and aim, the more petty, the more hateful and the more embittering it is.

The less the skill and exertion or strength implied in manual labor, in other words, the more modern industry becomes developed, the more is the labor of men superseded by that of women. Differences of age and sex have no longer any distinctive social validity for the working class. All are instruments of labor, more or less expensive to use, according to their age and sex.

No sooner is the exploitation of the laborer by the manufacturer so far at an end that he receives his wages in cash, than he is set upon by the other portions of the bourgeoisie, the landlord, the shopkeeper, the pawnbroker, and so forth.

The lower strata of the middle class—the small trades-

people, shopkeepers and retired tradesmen generally, the handicraftsmen and peasants—all these sink gradually into the proletariat, partly because their diminutive capital does not suffice for the scale on which modern industry is carried on, and is swamped in the competition with the large capitalists, partly because their specialized skill is rendered worthless by new methods of production. Thus the proletariat is recruited from all classes of the population.

The proletariat goes through various stages of development. With its birth begins its struggle with the bourgeoisie. At first the contest is carried on by individual laborers, then by the workpeople of a factory, then by the operatives of one trade, in one locality, against the individual bourgeois who directly exploits them. They direct their attacks not against the bourgeois conditions of production, but against the instruments of production themselves; they destroy imported wares that compete with their labor, they smash machinery, they set factories ablaze, they seek to restore by force the vanished status of the workman of the Middle Ages.

At this stage the laborers still form an incoherent mass scattered over the whole country, and broken up by their mutual competition. If anywhere they unite to form more compact bodies, this is not yet the consequence of their own active union, but of the union of the bourgeoisie, which class, in order to attain its own political ends, is compelled to set the whole proletariat in motion, and is moreover, for a time, still able to do so. At this stage, therefore, the proletarians do not fight their enemies, but the enemies of their enemies, the remnants of absolute monarchy, the landowners, the non-industrial bourgeois, the petty bourgeoisie. Thus the whole historical movement is concentrated in the hands of the bourgeoisie, every victory so obtained is a victory for the bourgeoisie.

But with the development of industry the proletariat not only increases in number; it becomes concentrated in greater masses, its strength grows and it feels that strength more. The various interests and conditions of life within the ranks

of the proletariat are more and more equalized, in proportion as machinery obliterates all distinctions of labor, and nearly everywhere reduces wages to the same low level. The growing competition among the bourgeois, and the resulting commercial crises, make the wages of the workers ever more fluctuating; the unceasing improvement of machinery, ever more rapidly developing, makes their livelihood more and more precarious; the collisions between individual workmen and individual bourgeois take more and more the character of collisions between two classes. Thereupon the workers begin to form combinations (trade unions) against the bourgeois; they club together in order to keep up the rate of wages; they found permanent associations in order to make provision beforehand for these occasional revolts. Here and there the contest breaks out into riots.

Now and then the workers are victorious, but only for a time. The real fruit of their battle lies not in the immediate result, but in the ever expanding union of workers. This union is helped on by the improved means of communication that are created by modern industry, and that places the workers of different localities in contact with one another. It was just this contact that was needed to centralize the numerous local struggles, all of the same character, into one national struggle between classes. But every class struggle is a political struggle. And that union, to attain which the burghers of the Middle Ages with their miserable highways, required centuries, the modern proletarians, thanks to railways, achieve in a few years.

This organization of the proletarians into a class, and consequently into a political party, is continually being upset again by the competition between the workers themselves. But it ever rises up again, stronger, firmer, mightier. It compels legislative recognition of particular interests of the workers by taking advantage of the divisions among the bourgeoisie itself. Thus the Ten-Hours-Bill in England was carried.

Altogether collisions between the classes of the old society

further, in many ways, the development of the proletariat. The bourgeoisie finds itself involved in a constant battle—at first with the aristocracy; later on, with those portions of the bourgeoisie itself whose interests have become antagonistic to the progress of industry; at all times, with the bourgeoisie of foreign countries. In all these battles it sees itself compelled to appeal to the proletariat, to ask for its help, and thus to drag it into the political arena. The bourgeoisie itself, therefore, supplies the proletariat with its own elements of political and general education; in other words, it furnishes the proletariat with weapons for fighting the bourgeoisie.

Further, as we have already seen, entire sections of the ruling classes are, by the advance of industry, precipitated into the proletariat, or are at least threatened in their conditions of existence. These also supply the proletariat with fresh elements of enlightenment and progress.

Finally, in times when the class-struggle nears the decisive hour, the process of dissolution going on within the ruling class, in fact within the whole range of an old society, assumes such a violent, glaring character that a small section of the ruling class cuts itself adrift and joins the revolutionary class, the class that holds the future in its hands. Just as, therefore, at an earlier period, a section of the nobility went over to the bourgeoisie, so now a portion of the bourgeoisie goes over to the proletariat, and in particular, a portion of the bourgeois ideologists, who have raised themselves to the level of comprehending theoretically the historical movements as a whole.

Of all the classes that stand face to face with the bourgeoisie today the proletariat alone is a really revolutionary class. The other classes decay and finally disappear in the face of modern industry; the proletariat is its special and essential product.

The lower middle-class, the small manufacturer, the shopkeeper, the artisan, the peasant, all these fight against the bourgeoisie, to save from extinction their existence as fractions of the middle class. They are therefore not revolu-

tionary, but conservative. Nay, more; they are reactionary, for they try to roll back the wheel of history. If by chance they are revolutionary, they are so only in view of their impending transfer into the proletariat; they thus defend not their present, but their future interests; they desert their own standpoint to place themselves at that of the proletariat.

The "dangerous class," the social scum, that passively rotting mass thrown off by the lowest layers of the old society, may here and there be swept into the movement by a proletarian revolution; its conditions of life, however, prepare it far more for the part of a bribed tool of reactionary intrigue.

In the conditions of the proletariat, those of old society at large are already virtually swamped. The proletarian is without property; his relation to his wife and children has no longer anything in common with the bourgeois family relations; modern industrial labor, modern subjection to capital, the same in England as in France, in America as in Germany, has stripped him of every trace of national character. Law, morality, religion, are to him so many bourgeois prejudices, behind which lurk in ambush just as many bourgeois interests.

All the preceding classes that got the upper hand sought to fortify their already acquired status by subjecting society at large to their conditions of appropriation. The proletarians cannot become masters of the productive forces of society, except by abolishing their own previous mode of appropriation, and thereby also every other previous mode of appropriation. They have nothing of their own to secure and to fortify; their mission is to destroy all previous securities for and insurances of individual property.

All previous historical movements were movements of minorities, or in the interest of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority. The proletariat, the lowest stratum of our present society, cannot stir, cannot raise itself up without the whole superincumbent strata of official society being sprung into the air.

Though not in substance, yet in form, the struggle of the

proletariat with the bourgeoisie is at first a national struggle. The proletariat of each country must, of course, first of all settle matters with its own bourgeoisie.

In depicting the most general phases of the development of the proletariat, we have traced the more or less veiled civil war, raging within existing society, up to the point where that war breaks out into open revolution, and where the violent overthrow of the bourgeoisie, lays the foundation for the sway of the proletariat.

Hitherto every form of society has been based, as we have already seen, on the antagonism of oppressing and oppressed classes. But in order to oppress a class, certain conditions must be assured to it under which it can at least continue its slavish existence. The serf, in the period of serfdom, raised himself to membership in the commune, just as the petty bourgeois, under the yoke of feudal absolutism, managed to develop into a bourgeois. The modern laborer, on the contrary, instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper, and pauperism develops more rapidly than population and wealth. And here it becomes evident that the bourgeoisie is unfit any longer to be the ruling class in society, and to impose its conditions of existence upon society as an over-riding law. It is unfit to rule, because it is incompetent to assure an existence to its slave within his slavery, because it cannot help letting him sink into such a state that it has to feed him, instead of being fed by him. Society can no longer live under this bourgeoisie; in other words, its existence is no longer compatible with society.

The essential condition for the existence, and for the sway of the bourgeois class, is the formation and augmentation of capital; the condition for capital is wage-labor. Wage-labor rests exclusively on competition between the laborers. The advance of industry, whose involuntary promoter is the bourgeoisie, replaces the isolation of the laborers, due to competition, by their revolutionary combination, due to association.

The development of modern industry, therefore, cuts from under its feet the very foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie therefore produces, above all, are its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable.

II

PROLETARIANS AND COMMUNISTS

In what relation do the Communists stand to the proletarians as a whole?

The Communists do not form a separate party opposed to other working-class parties.

They have no interests separate and apart from those of the proletariat as a whole.

They do not set up any sectarian principles of their own, by which to shape and mould the proletarian movement.

The Communists are distinguished from the other working class parties by this only: 1. In the national struggles of the proletarians of the different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality. 2. In the various stages of development which the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.

The Communists, therefore, are on the one hand practically the most advanced and resolute section of the working class parties of every country, that section which pushes forward all others; on the other hand, theoretically, they have over the great mass of the proletariat the advantage of clearly understanding the line of march, the conditions, and the ultimate general results of the proletarian movement.

The immediate aim of the Communists is the same as that of all the other proletarian parties—formation of the proletariat into a class, overthrow of the bourgeois supremacy, conquest of political power by the proletariat.

The theoretical conclusions of the Communists are in no way based on ideas or principles that have been invented or discovered by this or that would-be universal reformer.

They merely express, in general terms, actual relations springing from an existing class struggle, from a historical movement going on under our very eyes. The abolition of existing property-relations is not at all a distinctive feature of Communism.

All property relations in the past have continually been subject to historical change consequent upon the change in historical conditions.

The French Revolution, for example, abolished feudal property in favor of bourgeois property.

The distinguishing feature of Communism is not the abolition of property generally, but the abolition of bourgeois property. But modern bourgeois private property is the final and most complete expression of the system of producing and appropriating products, based on class antagonism, on the exploitation of the many by the few.

In this sense, the theory of the Communists may be summed up in the single sentence: Abolition of private property.

We Communists have been reproached with the desire to abolish the right of personally acquiring property as the fruit of a man's own labor, which property is alleged to be the groundwork of all personal freedom, activity, and independence.

Hard-won, self-acquired, self-earned property! Do you mean the property of the petty artisan and of the small peasant, a form of property that preceded the bourgeois form? There is no need for us to abolish that; the development of industry has to a great extent already destroyed it, and is still destroying it daily.

Or do you mean modern bourgeois private property?

But does wage-labor create any property for the laborer? Not a bit. It creates capital,—that is, the kind of property which exploits wage-labor, and which cannot increase except upon condition of getting a new supply of wage-labor for

fresh exploitation. Property, in its present form, is based on the antagonism of capital and wage-labor. Let us examine both sides of this antagonism.

To be a capitalist is to have not only a purely personal, but a social status in production. Capital is a collective product, and only by the united action of many members, nay, in the last resort, only by the united action of all members of society, can it be set in motion.

Capital is therefore not a personal, it is a social power.

When, therefore, capital is converted into common property, into the property of all members of society, personal property is not thereby transformed into social property. It is only the social character of the property that is changed. It loses its class-character.

Let us now take wage-labor.

The average price of wage-labor is the minimum wage, that quantum of the means of subsistence which is absolutely requisite to keep the laborer in bare existence as a laborer. What, therefore, the wage-laborer appropriates by means of his labor, merely suffices to prolong and reproduce a bare existence. We by no means intend to abolish this personal appropriation of the products of labor, an appropriation that is made for the maintenance and reproduction of human life, and that leaves no surplus wherewith to command the labor of others. All that we want to do away with is the miserable character of this appropriation, under which the laborer lives merely to increase capital and is allowed to live only in so far as the interest of the ruling class requires it.

In bourgeois society, living labor is but a means to increase accumulated labor. In communist society accumulated labor is but a means to widen, to enrich, to promote the existence of the laborer.

In bourgeois society, therefore, the past dominates the present; in communist society the present dominates the past. In bourgeois society capital is independent and has individuality, while the living person is dependent and has no individuality.

And the abolition of this state of things is called by the

bourgeois abolition of individuality and freedom! And rightly so. The abolition of bourgeois individuality, bourgeois independence, and bourgeois freedom is undoubtedly aimed at.

By freedom is meant, under the present bourgeois conditions of production, free trade, free selling and buying.

But if selling and buying disappears, free selling and buying disappears also. This talk about free selling and buying, and all the other "brave words" of our bourgeoisie about freedom in general, have a meaning, if any, only in contrast with restricted selling and buying, with the fettered traders of the Middle Ages, but have no meaning when opposed to the communistic abolition of buying and selling, of the bourgeois conditions of production, and of the bourgeoisie itself.

You are horrified at our intending to do away with private property. But in your existing society private property is already done away with for nine-tenths of the population; its existence for the few is solely due to its non-existence in the hands of those nine-tenths. You reproach us, therefore, with intending to do away with a form of property, the necessary condition for whose existence is the non-existence of any property for the immense majority of society.

In one word, you reproach us with intending to do away with your property. Precisely so; that is just what we intend.

From the moment when labor can no longer be converted into capital, money, or rent, into a social power capable of being monopolized,—that is, from the moment when individual property can no longer be transformed into bourgeois property, into capital—from that moment, you say, individuality vanishes.

You must, therefore, confess that by "individual" you mean no other person than the bourgeois, than the middle-class owner of property. This person must, indeed, be swept out of the way and made impossible.

Communism deprives no man of the power to appropriate social products; all that it does is to deprive him of the power to subjugate the labor of others by means of such appropriation.

It has been objected that upon the abolition of private property all work will cease and universal laziness will overtake us.

According to this, bourgeois society ought long ago to have gone to the dogs through sheer idleness; for those of its members who work acquire nothing, and those who acquire anything do not work. The whole of this objection is but another expression of the tautology, that there can no longer be any wage-labor when there is no longer any capital.

All objections urged against the communistic mode of producing and appropriating material products have, in the same way, been urged against the communistic modes of producing and appropriating intellectual products. Just as, to the bourgeois, the disappearance of class property is the disappearance of production itself, so the disappearance of class culture is to him identical with the disappearance of all culture.

That culture, the loss of which he laments, is, for the enormous majority, a mere training to act as a machine.

But do not argue with us by applying to our intended abolition of bourgeois property, the standard of your bourgeois notions of freedom, culture, law, etc. Your very ideas are but the outgrowth of the conditions of your bourgeois production and bourgeois property, just as your jurisprudence is but the will of your class made into a law for all, a will whose essential character and direction are determined by the economic conditions of existence of your class.

The selfish misconception that induces you to transform into eternal laws of nature and of reason the social forms springing from your present mode of production and form of property—historical relations that rise and disappear in the progress of production—this misconception you share with every ruling class that has preceded you. What you see clearly in the case of ancient property, what you admit in the case of feudal property, you are of course forbidden to admit in the case of your own bourgeois form of property.

Abolition of the family? Even the most radical flare up at this infamous proposal of the Communists.

On what foundation is the present family, the bourgeois

family, based? On capital, on private gain. In its completely developed form this family exists only among the bourgeoisie. But this state of things finds its complement in the practical absence of the family among the proletarians, and in public prostitution.

The bourgeois family will vanish as a matter of course when its complement vanishes, and both will vanish with the vanishing of capital.

Do you charge us with wanting to stop the exploitation of children by their parents? To this crime we plead guilty.

But, you will say, we destroy the most hallowed of relations when we replace home education by social.

And your education! Is not that also social, and determined by the social conditions under which you educate, by the intervention, direct or indirect, of society by means of schools, and the like? The Communists have not invented the intervention of society in education; they do but seek to alter the character of that intervention, and to rescue education from the influence of the ruling class.

The bourgeois clap-trap about the family and education, about the hallowed co-relation of parent and child, becomes all the more disgusting, the more, by the action of modern industry, all family ties among the proletarians are torn asunder and their children transformed into simple articles of commerce and instruments of labor.

But you Communists would introduce community of women, screams the whole bourgeois chorus.

The bourgeois sees in his wife a mere instrument of production. He hears that the instruments of production are to be exploited in common, and, naturally, can come to no other conclusion than that the lot of being common to all will likewise fall to the women.

He has not even a suspicion that the real point aimed at is to do away with the status of women as mere instruments of production.

For the rest, nothing is more ridiculous than the virtuous indignation of our bourgeois at the community of women

which, they pretend, is to be openly and officially established by the Communists. The Communists have no need to introduce community of women; it has existed almost from time immemorial.

Our bourgeois, not content with having the wives and daughters of their proletarians at their disposal, not to speak of common prostitutes, take the greatest pleasure in seducing each others' wives.

Bourgeois marriage is in reality a system of wives in common, and thus, at the most, what the Communists might possibly be reproached with, is that they desire to introduce, in substitution for a hypocritically concealed, an openly legalized community of women. For the rest, it is self-evident that the abolition of the present system of production must bring with it the abolition of the community of women springing from that system,—that is, of prostitution both public and private.

The Communists are further reproached with desiring to abolish countries and nationalities.

The working men have no country. We cannot take from them what they have not got. Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is, so far, itself national, though not in the bourgeois sense of the word.

National differences and antagonisms between peoples are daily more and more vanishing, owing to the development of the bourgeoisie, to freedom of commerce, to the world-market, to uniformity in the mode of production and in the conditions of life corresponding thereto.

The supremacy of the proletariat will cause them to vanish still faster. United action, of the leading civilized countries at least, is one of the first conditions for the emancipation of the proletariat.

In proportion as the exploitation of one individual by another is put an end to, the exploitation of one nation by another will also be put an end to. In proportion as the

antagonism between classes within the nation vanishes, the hostility of one nation to another will come to an end.

The charges against Communism made from a religious, a philosophical, and generally, from an ideological standpoint, are not deserving of serious examination.

Does it require deep intuition to comprehend that man's ideas, views, and conceptions, in one word, man's consciousness, changes with every change in the conditions of his material existence, in his social relations, and in his social life?

What else does the history of ideas prove than that intellectual production changes in character in proportion as material production is changed? The ruling ideas of each age have ever been the ideas of its ruling class.

When people speak of ideas that revolutionize society they do but express the fact that within the old society the elements of a new one have been created, and that the dissolution of the old ideas keeps even pace with the dissolution of the old conditions of existence.

When the ancient world was in its last throes the ancient religions were overcome by Christianity. When Christian ideas succumbed in the eighteenth century to rationalist ideas, feudal society fought its death-battle with the then revolutionary bourgeoisie. The ideas of religious liberty and freedom of conscience merely gave expression to the sway of free competition within the domain of knowledge.

"Undoubtedly," it will be said, "religious, moral, philosophical, and judicial ideas have been modified in the course of historical development. But religion, morality, philosophy, political science, and law, constantly survived this change."

"There are, besides, eternal truths, such as Freedom, Justice, and so forth, that are common to all states of society. But Communism abolishes eternal truths, it abolishes all religion and all morality, instead of constituting them on a new basis; it therefore acts in contradiction to all past historical experience."

What does this accusation reduce itself to? The history of all past society has consisted in the development of class

antagonisms, antagonisms that assumed different forms at different epochs.

But whatever form they may have taken, one fact is common to all past ages—namely, the exploitation of one part of society by the other. No wonder, then, that the social consciousness of past ages, despite all the multiplicity and variety it displays, moves within certain common forms, or general ideas, which cannot completely vanish except with the total disappearance of class antagonisms.

The Communist revolution is the most radical rupture with traditional property-relations; no wonder that its development involves the most radical rupture with traditional ideas.

But let us have done with the bourgeois objections to Communism.

We have seen above that the first step in the revolution by the working class is to raise the proletariat to the position of ruling class, to win the battle of democracy.

The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the state,—that is, of the proletariat organized as a ruling class; and to increase the total productive forces as rapidly as possible.

Of course, in the beginning, this cannot be effected except by means of despotic inroads on the rights of property, and on the conditions of bourgeois production; by means of measures, therefore, which appear economically insufficient and untenable, but which in the course of movement outstrip themselves, necessitate further inroads upon the old social order, and are unavoidable as a means of entirely revolutionizing the mode of production.

These measures will of course be different in different countries.

Nevertheless in the most advanced countries the following will be pretty generally applicable:

1. Abolition of property in land and application of all rents of land to public purposes.

2. A heavy progressive or graduated income tax.

3. Abolition of all right of inheritance.

4. Confiscation of the property of all emigrants and rebels.[9]

5. Centralization of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.

6. Centralization of the means of communication and transport in the hands of the state.

7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.

8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.

9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country by a more equable distribution of the population over the country.

10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, and so forth.

When, in the course of development, class distinctions have disappeared, and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character. Political power, properly so called, is merely the organization power of one class for oppressing another. If the proletariat during its contest with the bourgeoisie is compelled, by the force of circumstances, to organize itself as a class, if, by means of a revolution, it makes itself the ruling class, and, as such, sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms, and of classes generally, and will thereby have abolished its own supremacy as a class.

In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association in which the free development of each is the condition for the free development of all.

III

SOCIALIST AND COMMUNIST LITERATURE

1. Reactionary Socialism

A. *Feudal Socialism.*—Owing to their historical position, it became the vocation of the aristocracies of France and England to write pamphlets against modern bourgeois society. In the French revolution of July, 1830, and in the English reform agitation, these aristocracies again succumbed to the hateful upstart. Thenceforth, a serious political contest was altogether out of the question. A literary battle alone remained possible. But even in the domain of literature the old cries of the Restoration period had become impossible.

In order to arouse sympathy the aristocracy were obliged to lose sight, apparently, of their own interests and to formulate their indictment against the bourgeoisie in the interest of the exploited working class alone. Thus the aristocrats took their revenge by singing lampoons on their new master, and whispering in his ears sinister prophecies of coming catastrophe.

In this way arose feudal socialism: half lamentation, half lampoon; half echo of the past, half menace of the future; at times, by its bitter, witty, and incisive criticism, striking the bourgeoisie to the very hearts' core, but always ludicrous in its effect, through total incapacity to comprehend the march of modern history.

The aristocracy, in order to rally the people to them, waved the proletarian alms-bag in front as a banner. But the people, so often as it joined them, saw on their hindquarters the old feudal coat of arms, and deserted with loud and irreverent laughter.

One section of the French Legitimists,[10] and "Young England," excelled in this spectacle.

In pointing out that their mode of exploitation was differ-

ent to that of the bourgeoisie, the feudalists forget that they exploited under circumstances and conditions that were quite different, and that are now antiquated. In showing that, under their rule, the modern proletariat never existed, they forget that the modern bourgeoisie is the necessary offspring of their own form of society.

For the rest, so little do they conceal the reactionary character of their criticism that their chief accusation against the bourgeoisie amounts to this, that under the bourgeois regime a class is being developed which is destined to cut up root and branch the old order of society.

What they upbraid the bourgeoisie with is not so much that it creates a proletariat, as that it creates a revolutionary proletariat.

In political practice, therefore, they join in all coercive measures against the working-class; and in ordinary life, despite their high-falutin phrases, they stoop to pick up the golden apples dropped from the tree of industry, and to barter truth, love, and honor for traffic in wool, sugar beets, and potato alcohol.[11]

As the parson has ever gone hand in hand with the landlord, so has clerical socialism with feudal socialism.

Nothing is easier than to give Christian asceticism a socialistic tinge. Has not Christianity declaimed against private property, against marriage, against the state? Has it not preached, in the place of these, charity and poverty, celibacy and mortification of the flesh, monastic life and Mother Church? Christian socialism is but the holy water with which the priest consecrates the heartburnings of the aristocrat.

B. *Petty Bourgeois Socialism.*—The feudal aristocracy was not the only class that was ruined by the bourgeoisie, not the only class whose conditions of existence pined and perished in the atmosphere of modern bourgeois society. The medieval burgesses and the small peasant bourgeoisie were the precursors of the modern bourgeoisie. In those countries which are but little developed, industrially and commercially, these

two classes still vegetate side by side with the rising bourgeoisie.

In countries where modern civilization has become fully developed, a new class of petty bourgeois has been formed, fluctuating between proletariat and bourgeoisie, and ever renewing itself as a supplementary part of bourgeois society. The individual members of this class, however, are being constantly hurled down into the proletariat by the action of competition, and, as modern industry develops, they even see the moment approaching when they will completely disappear as an independent section of modern society, to be replaced, in manufactures, agriculture, and commerce, by managers, superintendents, and foremen.

In countries like France, where the peasants constitute far more than half of the population, it was natural that writers who sided with the proletariat against the bourgeoisie should use, in their criticism of the bourgeois regime, the standard of the peasant and petty bourgeois, and from the standpoint of these intermediate classes should take up the cudgels for the working class. Thus arose petty bourgeois socialism. Sismondi was the head of this school, not only in France, but also in England.

This school of socialism dissected with great acuteness the contradictions in the conditions of modern production. It laid bare the hypocritical apologies of economists. It proved incontrovertibly the disastrous effects of machinery and division of labor; the concentration of capital and land in a few hands; overproduction and crises; it pointed out the inevitable ruin of the petty bourgeois and peasant, the misery of the proletariat, the anarchy in production, the crying inequalities in the distribution of wealth, the industrial war of extermination between nations, the dissolution of old moral bonds, of the old family relations, of the old nationalities.

In its positive aims, however, this form of Socialism aspires either to restoring the old means of production and of exchange, and with them the old property relations and the old society, or to cramping the modern means of production and

of exchange within the framework of the old property relations that have been, and were bound to be, exploded by those means. In either case it is both reactionary and utopian.

Its last words are—corporate guilds for manufacture, patriarchal relations in agriculture.

Ultimately, when stubborn historical facts had dispersed all intoxicating effects of self-deception, this form of socialism ended in a miserable fit of the blues.

C. *German or "True" Socialism.*—The Socialist and Communist literature of France, a literature that originated under the pressure of a bourgeoisie in power, and that was the expression of the struggle against this power, was introduced into Germany at a time when the bourgeoisie in that country had just begun its contest with feudal absolutism.

German philosophers, would-be philosophers, and *beaux esprits* eagerly seized on this literature, only forgetting that, when these writings immigrated from France into Germany, French social conditions had not immigrated along with them. In contact with German social conditions this French literature lost its immediate practical significance and assumed a purely literary aspect. Thus, to the German philosophers of the eighteenth century, the demands of the first French Revolution were nothing more than the demands of "Practical Reason" in general, and the utterance of the will of the revolutionary French bourgeoisie signified in their eyes the laws of pure Will, of Will as it was bound to be, of true human Will generally.

The work of the German literati consisted solely in bringing the new French ideas into harmony with their ancient philosophical conscience, or rather, in annexing the French ideas without deserting their own philosophical point of view.

This annexation took place in the same way in which a foreign language is appropriated, namely by translation.

It is well known how the monks wrote silly lives of Catholic saints over the manuscripts on which the classical works of ancient heathendom had been written. The German literati reversed this process with the profane French literature. They

wrote their philosophical nonsense beneath the French original. For instance, beneath the French criticism of the economic functions of money they wrote "Alienation of Humanity," and beneath the French criticism of the bourgeois state they wrote "Dethronement of the Category of the General," and so forth.

The introduction of these philosophical phrases at the back of the French historical criticisms they dubbed "Philosophy of Action," "True Socialism," "German Science of Socialism," "Philosophical Foundation of Socialism," and so on.

The French Socialist and Communist literature was thus completely emasculated. And, since it ceased in the hands of the German to express the struggle of one class with the other, he felt conscious of having overcome "French one-sidedness" and of representing, not true requirements, but the requirements of Truth, not the interests of the proletariat, but the interests of Human Nature, of Man in general, who belongs to no class, has no reality, who exists only in the misty realm of philosophical phantasy.

This German socialism, which took its school-boy task so seriously and solemnly, and extolled its poor stock-in-trade in such mountebank fashion, meanwhile gradually lost its pedantic innocence.

The fight of the German, and especially of the Prussian, bourgeoisie against feudal aristocracy and absolute monarchy, in other words the liberal movement, became more earnest.

By this, the long-wished-for opportunity was offered to "True Socialism" of confronting the political movement with the socialist demands, of hurling the traditional anathemas against liberalism, against representative government, against bourgeois competition, bourgeois freedom of the press, bourgeois legislation, bourgeois liberty and equality, and of preaching to the masses that they had nothing to gain and everything to lose by this bourgeois movement. German socialism forgot in the nick of time that the French criticism, whose silly echo it was, presupposed the existence of modern bourgeois society, with its corresponding economic conditions of

existence, and the political constitution adapted thereto, the very things whose attainment was the object of the pending struggle in Germany.

To the absolute governments, with their following of parsons, professors, country squires, and officials, it served as a welcome scarecrow against the threatening bourgeoisie.

It was a sweet finish after the bitter pills of floggings and bullets with which these same governments, just at that time, dosed the German working class risings.

While this "True Socialism" thus served the governments as a weapon for fighting the German bourgeoisie, it at the same time directly represented a reactionary interest, the interest of the German philistines. In Germany the petty bourgeois class, a relic of the sixteenth century, and since then constantly cropping up again under various forms, is the real social basis of the existing state of things.

To preserve this class is to preserve the existing state of things in Germany. The industrial and political supremacy of the bourgeoisie threatens it with certain destruction; on the one hand, from the concentration of capital; on the other, from the rise of a revolutionary proletariat. "True Socialism" appeared to kill these two birds with one stone. It spread like an epidemic.

The robe of speculative cobwebs, embroidered with flowers of rhetoric, steeped in the dew of sickly sentiment, this transcendental robe in which the German socialists wrapped their sorry "eternal truths," all skin and bone, served wonderfully to increase the sale of their goods amongst such a public.

And on its part, German socialism recognized more and more its own calling as the bombastic representative of the petty bourgeois philistine.

It proclaimed the German nation to be the model nation, and the German petty philistine to be the typical man. To every villainous meanness of this model man it gave a hidden, higher, socialistic interpretation, the exact contrary of its true character. It went to the extreme length of directly opposing the "brutally destructive" tendency of Communism,

and of proclaiming its supreme and impartial contempt of all class struggles. With very few exceptions, all the so-called Socialist and Communist publications that now (1847) circulate in Germany belong to the domain of this foul and enervating literature.

2. Conservative or Bourgeois Socialism

A part of the bourgeoisie is desirous of redressing social grievances, in order to secure the continued existence of bourgeois society.

To this section belong economists, philanthropists, humanitarians, improvers of the condition of the working class, organizers of charity, members of societies for the prevention of cruelty to animals, temperance fanatics, hole-and-corner reformers of every imaginable kind. This form of socialism has, moreover, been worked out into complete systems.

We may cite Proudhon's *Philosophy of Poverty* as an example of this form.

The socialistic bourgeois want all the advantages of modern social conditions without the struggles and dangers necessarily resulting therefrom. They desire the existing state of society minus its revolutionary and disintegrating elements. They wish for a bourgeoisie without a proletariat. The bourgeoisie naturally conceives the world in which it is supreme to be the best; and bourgeois socialism develops this comfortable conception into various more or less complete systems. In requiring the proletariat to carry out such a system, and thereby to march straightway into the social New Jerusalem, it but requires in reality that the proletariat should remain within the bounds of existing society, but should cast away all its hateful ideas concerning the bourgeoisie.

A second and more practical, but less systematic, form of this socialism sought to depreciate every revolutionary movement in the eyes of the working class by showing that no mere political reform, but only a change in the material conditions of existence, in economical relations, could be of

any advantage to them. By changes in the material conditions of existence this form of Socialism, however, by no means understands abolition of the bourgeois relations of production, an abolition that can be effected only by a revolution, but administrative reforms, based on the continued existence of these relations; reforms, therefore, that in no respect affect the relations between capital and labor, but, at the best, lessen the cost, and simplify the administrative work, of bourgeois government.

Bourgeois socialism attains adequate expression when, and only when, it becomes a mere figure of speech.

Free trade—for the benefit of the working class. Protective duties—for the benefit of the working class. Prison reform—for the benefit of the working class. This is the last word and the only seriously meant word of bourgeois socialism.

It is summed up in the phrase: The bourgeois is a bourgeois—for the benefit of the working class.

3. Critical-Utopian Socialism and Communism

We do not here refer to that literature which, in every great modern revolution, has always given voice to the demands of the proletariat, such as the writings of Babeuf and others.

The first direct attempts of the proletariat to attain its own ends, made in times of universal excitement, when feudal society was being overthrown, these attempts necessarily failed, owing to the then undeveloped state of the proletariat, as well as to the absence of the economic conditions for its emancipation, conditions that had yet to be produced, and could be produced by the impending bourgeois epoch alone. The revolutionary literature that accompanied these first movements of the proletariat had necessarily a reactionary character. It inculcated universal asceticism and social leveling in its crudest form.

The Socialist and Communist systems properly so called, those of St. Simon, Fourier, Owen, and others, spring into

existence in the early undeveloped period, described above, of the struggle between proletariat and bourgeoisie.

The founders of these systems see, indeed, the class antagonisms, as well as the action of the decomposing elements in the prevailing form of society. But the proletariat, as yet in its infancy, offers to them the spectacle of a class without any historical initiative or any independent political movement.

Since the development of class antagonism keeps even pace with the development of industry, the economic situation, as they find it, does not as yet offer to them the material conditions for the emancipation of the proletariat. They therefore search after a new social science, after new social laws, that are to create these conditions.

Historical action is to yield to their personal inventive action, historically created conditions of emancipation to fantastic ones, and the gradual, spontaneous class-organization of the proletariat to an organization of society specially contrived by these inventors. Future history resolves itself, in their eyes, into the propaganda and the practical carrying out of their social plans.

In the formation of their plans they are conscious of caring chiefly for the interests of the working class, as being the most suffering class. Only from the point of view of being the most suffering class does the proletariat exist for them.

The undeveloped state of the class struggle, as well as their own surroundings, cause socialists of this kind to consider themselves far superior to all class antagonisms. They want to improve the condition of every member of society, even that of the most favored. Hence, they habitually appeal to society at large, without distinction of class; nay, by preference, to the ruling class. For how can people, when once they understand their system, fail to see in it the best possible plan of the best possible state of society?

Hence, they reject all political, and especially all revolutionary action; they wish to attain their ends by peaceful means, and endeavor, by small experiments, necessarily doomed

to failure, and by the force of example, to pave the way for the new social gospel.

Such fantastic pictures of future society, painted at a time when the proletariat is still in a very undeveloped state and has but a fantastic conception of its own position, correspond with the first instinctive yearnings of that class for a general reconstruction of society.

But these Socialist and Communist publications contain also a critical element. They attack every principle of existing society. Hence they are full of the most valuable materials for the enlightenment of the working class. The practical measures proposed in them, such as the abolition of the distinction between town and country, of the family, of the carrying on of industries for the account of private individuals, and of the wage system, the proclamation of social harmony, the conversion of the functions of the state into a mere superintendence of production, all these proposals point solely to the disappearance of class antagonisms which were at that time only just cropping up, and which, in these publications, are recognized under the earliest, indistinct, and undefined forms only. These proposals, therefore, are of a purely utopian character.

The significance of Critical-Utopian Socialism and Communism bears an inverse relation to historical development. In proportion as the modern class struggle develops and takes definite shape, this fantastic standing apart from the contest, these fantastic attacks on it, lose all practical value and all theoretical justification. Therefore, although the originators of these systems were in many respects revolutionary, their disciples have in every case formed mere reactionary sects. They hold fast by the original views of their masters, in opposition to the progressive historical development of the proletariat. They therefore endeavor, and that consistently, to dull the edge of the class struggle and to reconcile the class antagonisms. They still dream of experimental realization of their social Utopias, of founding isolated "phalansteries," of

establishing "Home Colonies," of setting up a "Little Icaria" [12] —duodecimo editions of the New Jerusalem—and to realize all these castles in the air they are compelled to appeal to the feelings and purses of the bourgeois. By degrees they sink into the category of the reactionary or conservative socialists depicted above, differing from these only by more systematic pedantry, and by their fanatical and superstitious belief in the miraculous effects of their social science.

They therefore violently oppose all political action on the part of the working class; such action, according to them, can only result from blind unbelief in the New Gospel.

The Owenites in England, and the Fourierists in France, respectively oppose the Chartists and the Reformists.

IV

POSITION OF THE COMMUNISTS IN RELATION TO THE VARIOUS EXISTING OPPOSITION PARTIES

Section II has made clear the relations of the Communists to the existing working class parties, such as the Chartists in England and the Agrarian Reformers in America.

The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present they also represent and take care of the future of that movement.

In France the Communists ally themselves with the Social-Democrats [13] against the conservative and radical bourgeoisie, reserving, however, the right to take up a critical position in regard to phrases and illusions traditionally handed down from the Great Revolution.

In Switzerland they support the Radicals, without losing sight of the fact that this party consists of antagonistic elements, partly of Democratic Socialists, in the French sense, partly of radical bourgeois.

In Poland they support the party that insists on an agrarian revolution, as the prime condition for national emancipation,

that party which fomented the insurrection of Cracow in 1846.

In Germany they fight side by side with the bourgeoisie whenever it acts in a revolutionary way, against the absolute monarchy, the feudal squirearchy, and the petty bourgeoisie.

But they never cease for a single instant to instill into the working class the clearest possible recognition of the hostile antagonism between bourgeoisie and proletariat, in order that the German workers may straightway use, as so many weapons against the bourgeoisie, the social and political conditions that the bourgeoisie must necessarily introduce along with its supremacy, and in order that, after the fall of the reactionary classes in Germany, the fight against the bourgeoisie itself may immediately begin.

The Communists turn their attention chiefly to Germany, because that country is on the eve of a bourgeois revolution, that is bound to be carried out under more advanced conditions of European civilization, and with a more developed proletariat, than that of England was in the seventeenth and of France in the eighteenth century, and because the bourgeois revolution in Germany will be but the prelude to an immediately following proletarian revolution.

In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things.

In all these movements they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time.

Finally, they labor everywhere for the union and agreement of the democratic parties of all countries.

The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.

Working men of all countries, unite!

NOTES TO THE COMMUNIST MANIFESTO

Except those signed A. L. the following are the notes furnished by Engels for the edition of 1888.

[1] (Page 25.) The term "middle class" as used by European writers is confusing to Americans. All over Europe there formerly existed a class of hereditary landholding aristocrats. In the Middle Ages they were the ruling class in the full sense of the term. The peasantry, at first mainly as serfs, later in some countries as small tenants or petty proprietors, formed the bulk of the subject and exploited population. A third element was that of the city-dwelling merchants, shopkeepers, craftsmen, and laborers. In the late medieval and early modern period this mercantile and industrial element grew in importance, at the same time becoming divided into bourgeoisie and proletariat, or capitalists and wage-workers—the latter even more severely exploited than were the peasants, while the former entered into a long struggle with the aristocracy for political and social supremacy. Thus it comes about that the designation "middle class" was applied and still adheres to what has become distinctly the dominant part of modern society. But since this term covers the whole range from millionaire bankers, manufacturers, and merchants down to petty tradesmen, it often becomes necessary to distinguish between the upper and the lower middle class; and it is only the latter that more or less corresponds to what we call the middle class in a country where no titled nobility ever held sway.—A. L.

[2] (Page 26.) Lassalle personally to us always acknowledged himself to be a disciple of Marx, and as such stood on the ground of the *Communist Manifesto*. But in his public agitation, 1860-64, he did not go beyond demanding co-operative workshops supported by state credit. [Ferdinand Lassalle, who was born at Breslau in 1825, met Marx at Paris in 1844, took part in the revolutionary movement of 1848 in Germany, but played his great role during the last four years of his life, when he carried on a really gigantic labor of propaganda and organization. He desired to bring about the establishment of a united German national republic, based on manhood suffrage, and through it to procure the emancipation of labor from capital by means of co-operatively organ-

ized industrial enterprises endowed by the state. The *Allgemeine Deutsche Arbeiter Verein* (General German Workingmen's Union) which he founded survived him for several years, side by side with the more definitely Marxian organization which grew out of the German sections of the International. In 1875, at the Gotha Congress, the Lassallean and Marxian (or so-called Eisenacher) elements united to form the German Social-Democratic party.—A. L.]

[3] (Page 31.) That is, all written history. In 1847 the prehistory of society, the social organization existing previous to recorded history, was all but unknown. Since then Haxthausen discovered common ownership of land in Russia, Maurer proved it to be the social foundation from which all Teutonic races started in history, and by and by village communities were found to be, or to have been, the primitive form of society everywhere from India to Ireland. The inner organization of this primitive communistic society was laid bare, in its typical form, by Morgan's crowning discovery of the true nature of the gens and its relation to the tribe. With the dissolution of these primitive communities, society begins to be differentiated into separate and finally antagonistic classes. I have attempted to retrace this process of dissolution in my *Origin of the Family, Private Property, and the State.* [Anthropology has made much progress since the American investigator Lewis Morgan wrote his *Ancient Society* in 1877, and it has been found necessary to modify many of the conclusions reached by him and accepted by Engels when he wrote in 1884. Yet these further researches have, on the whole, strengthened rather than weakened the hypothesis that primitive society was essentially communistic, that private property, and especially private ownership of land or other socially necessary means of production—that is, such private property as gives its owners the power to exploit the labor of others—so far from being a primitive institution, based on eternal characteristics of human nature, is the outcome of a long and complex historical process, which did not begin till some hundreds of thousands of years after the origin of the human race, and in whose early stages war, enslavement of captives, and conquest of one tribe or people by another played a large causal rôle.—A. L.]

[4] (Page 31.) By bourgeoisie is meant the class of mod-

ern capitalists, owners of the means of social production, and employers of wage-labor. By proletariat, the class of modern wage-laborers who, having no means of production of their own, are reduced to selling their labor-power in order to live. —A "master," under the guild system, was a full member of the guild, as distinguished from an apprentice or journeyman—master workman within the guild, not master over other workers.—"Commune" was the name taken in France by the nascent towns even before they had conquered from their feudal lords and masters local self-government and political rights as the "Third Estate." Generally speaking, for the economic development of the bourgeoisie, England is here taken as the typical country, for its political development, France. [We have here combined three of Engels' notes, slightly expanding the second.]

[5] (Page 32.) The word "manufacture" is used here, as often by Marx and other writers of his time, in a sense that is now almost obsolete. The period of manufacture, in this sense, lay between the period of the self-employing craftsmen, with their guild organization, and the modern period of large-scale machine industry. Work was still done almost altogether with hand tools; but the shop, the materials, and consequently the finished product, were owned by a small capitalist, who paid the workers for their labor. In England this system was pretty well established by the sixteenth century, in various parts of the Continent not till a hundred or two hundred years later.—A. L.

[6] (Page 35.) The phrase "the idiocy of rural life" sounds queer and almost meaningless in twentieth-century English. No doubt in Marx's mind the German word *Idiotismus* retained something of the meaning of the Greek *idiotes,* and signified the mental narrowness and lethargy which results from lack of social intercourse. In our age of railways, automobiles, telephones, radios, and mail-order houses, it requires some effort to imagine how "idiotic," in this sense of the word, rural life was eighty years ago.—A. L.

[7] (Page 37.) This is a verbal inaccuracy, which Marx never permitted himself to use, even for the sake of brevity, in later years. The strictly correct statement is that, under capitalism, the worker has but one commodity to sell, and that commodity is his own labor-power, which is tied up

with his bodily existence and is reproduced from day to day by the maintenance of his life and vigor. For an explanation of the Marxian use of the word "commodity" and of one or two other technical terms, see the note appended to Engels' introduction to *Wage-Labor and Capital*, in this volume. —A. L.

[8] (Page 38.) The statement made here and elsewhere that, with the advent of machine industry, the hours of labor have been prolonged, is often pointed to by Marx's more recent critics as an example of his alleged reckless exaggeration. It is nothing of the sort. It was literally true up to the middle of the nineteenth century. If it is no longer true today, if the workday has been shortened, that is by no means due to the good-will of the capitalists, but to the pressure exerted, through trade unionism and political action, by the working-class movement which Marx did so much to enlighten and inspire. Much information on the lengthening of the workday in the latter half of the eighteenth century and the first half of the nineteenth is to be found in J. E. Thorold Rogers' *Six Centuries of Work and Wages*.—A. L.

[9] (Page 53.) The linking of "emigrants and rebels" makes it clear that the former word is here used in a special sense. The original German text has *Emigranten*, not *Auswanderer*, which is the common word for persons who emigrate. The clause was meant to apply to all those of the former ruling class who might try to resist the new revolutionary government, whether staying at home and raising insurrection against it or taking refuge abroad and there intriguing to bring about revolt or intervention. This latter is a recognized meaning of the French word *émigrés*, ever since 1791.—A. L.

[10] (Page 54.) The Legitimists in France were those who adhered to the old royal family, that of the Bourbons. This dynasty ruled from the later sixteenth century till the deposition of Louis XVI and abolition of the monarchy by the Great Revolution; in 1814, after the downfall of Napoleon I, it was restored in the person of Louis XVIII, who was succeeded by his brother Charles X; the latter was driven from the throne in 1830. Louis Philippe, of the Orleans family, became king in his stead, under a more liberal constitution, and reigned for eighteen years. Thus in 1848 there were

three monarchist parties—Legitimists, Orleanists, and Bonapartists.—A. L.

[11] (Page 55.) This applies chiefly to Germany, where the landed aristocracy and squirearchy have large portions of their estates cultivated for their account by stewards (or managers), and are moreover extensive beet-sugar manufacturers and distillers of potato-spirits. The wealthier British aristocracy are as yet rather above that; but they too know how to make up for declining rents by lending their names to floaters of more or less shady joint stock companies.

[12] (Page 64.) Phalansteries were communities organized on the plan of Charles Fourier. Robert Owen, at one stage of his career, promoted the formation of what were called Home Colonies. Icaria was the name given by Etienne Cabet to his imaginary commonwealth, and later on to his colony in the United States.

[13] (Page 64.) The party then represented in parliament by Ledru-Rollin, in literature by Louis Blanc, in the daily press by the *Reforme*. The name of Social Democracy signified with these its inventors, a section of the Democratic or Republican party more or less tinged with Socialism.

INTRODUCTION TO "WAGE-LABOR AND CAPITAL"

BY FREDERICK ENGELS

THE following pages appeared first in the shape of leading articles in the columns of the *New Rhenish Gazette*, beginning April 4, 1849. They were based on lectures given by Marx in the year 1847, before the German Workingmen's Club at Brussels. The series of articles begun remained however a fragment only. The promise "to be continued" (held out in the No. 269 at the end of the article) was never to be realized owing to the rush of events during those days—the invasion of the Russians into Hungary, the risings at Dresden, Iserlohn, Elberfeld, in the Palatinate, and Baden, which brought about the suppression of the *Gazette* itself May 19, 1849. Among the papers left by Marx there has not been found any manuscript containing the continuation of the article in question.

A few editions of *Wage-Labor and Capital* have already appeared in pamphlet form, the last in Zurich, Switzerland, in 1884. All these editions were exact reprints of the original articles. But as this new edition, to be used for the purpose of agitation, is to be made up of no less than 10,000 copies, the question had to present itself to my mind, whether Marx himself would under these circumstances have approved a mere reproduction of the original text.

As a matter of fact, during the forties Marx had not yet completed his critical study of political economy. He did this only about the end of the fifties. Thus all his writings which appeared before the publication of the first part of his *Critique of Political Economy* differ in some points from those pub-

lished after 1859, contain expressions and even entire sentences, which from the point of view of his later writing, appear rather ambiguous and even untrue.

Now, it goes without saying, that in common editions for the general reading public, even such older ideas, which constitute, so to say, the logical stepping stones to the final stage of the author's mental evolution, may find a legitimate place, that in the case of such editions, the author as well as the public have an undisputed right to demand an unchanged reprint of such older writings, and for such an emergency it would never have entered my mind to change even a single word of the original text.

But it is quite a different thing, in case the new edition is destined primarily and almost exclusively for agitation among workingmen. In such a case Marx would have undoubtedly brought into accord the older exposition, dating back to the year 1849, with his later, more mature ideas. And I am sure to act in his spirit by making for the present edition those slight changes and additions, which are required to attain the stated purpose in all principal points. I may then tell the reader beforehand: This is the pamphlet, not as Marx wrote it in the year 1849, but such a one, or nearly such a one, as Marx might have written in the year 1891. Moreover, the original text can be found in quite a number of old copies, and this will do for the time being, until I have occasion to embody it as part of a complete collection of Marx's writings.

The changes I have made turn all about one point. According to the original text, the workingman sells his *labor* to the capitalist for a certain wage; according to the new text what he sells is his *labor-power*. It is concerning this change that I owe some explanation: First of all to the workingmen, so that they may see that what we are concerned with is not at all mere nicety of verbiage, but one of the most important problems of political economy; and then also to the bourgeois, so that they may convince themselves, how much superior the uneducated workingmen are to the conceited "educated class" of society; for while to the former the closest

and most difficult reasoning can be easily made intelligible, to the latter such intricate questions remain a riddle during all their life.

Classical political economy accepted from industrial practice the traditional conception of the manufacturer buying and paying for the labor of his workingmen. This conception had proved quite sufficient for business purposes, those of bookkeeping and price-calculation. But transplanted naively into political economy, it caused there all kinds of strange errors and vagaries.

Political economy is confronted with the fact, that the prices of all commodities, among them also the price of that which is called labor, are constantly changing, rising and falling by reason of the most various circumstances, which frequently have no connection whatever with the production of the commodity itself, so that, as a rule, prices seem to be determined by mere accident. As soon then as political economy assumed a scientific character, it became one of its first tasks, to seek the law hiding behind accident, which was apparently ruling the prices of commodities, but truly was ruled in its turn by this law. Within these oscillations, or up-and-downward movements of prices, the new science began to seek the firm central point, around which these oscillations occur. In a word, starting from the *prices* of commodities, economics began to seek for their regulating law—namely, the *value* of commodities, by which the price-oscillations might be explained, to which they might ultimately be reduced.

Classical political economy found then, that the value of a commodity is determined by the labor which is embodied in it, in other words, which is required for its production. It rested satisfied with this explanation, which even we may accept for our proximate purposes. (To ward off misunderstandings, however, I should remind the reader, that this explanation has now become altogether insufficient.) Marx was the first to analyze in a thorough manner the peculiar property of labor to create new value, and he found that not all labor, which was seemingly or actually necessary for the

production of a commodity, really under all circumstances added an amount of value, corresponding to the amount of labor expended. If we then follow such economists as Ricardo in saying plainly, that the value of a commodity is determined by the labor necessary for its production, we are constantly bearing in mind the reservations made by Marx. So much then here for purposes of explanation: For further particulars I refer the reader either to Marx's *Critique of Political Economy* or to the first volume of his *Capital*.

But no sooner did the economists apply the new conception of value, as determined by labor, to the commodity labor itself, than they began to fall from one contradiction into another. How is the value of labor determined? Answer: By the necessary labor embodied in it. But how much labor is there in the labor of a workingman during a period of one day, week, month, or year? Of course, one day's, one week's, one month's, one year's labor. For, if labor is the measure of all values, we can express the "value of labor" only in terms of labor. Needless to say, we know absolutely nothing about the value of one hour's labor, if we know only that it equals one hour's labor. We have not come a hair's breath nearer the solution of the problem; we are merely turning hopelessly in a vicious circle.

Classical political economy thus had to attempt another method to solve the problem. It asserted that the value of a commodity equals its cost of production. Now then, what is the cost of production of labor? In order to answer this question economists had to strain logic quite a little. Instead of seeking the cost of production of labor itself (which, as a matter of fact, can never be found) they investigated what is the cost of production of the laborer, and this can be found, sure enough. This cost varies according to time and circumstances, but given a certain condition of society, a certain locality, a certain branch of production, this cost is also given, at least within pretty narrow limits. We live at present under the rule of capitalist production, under which

a large and steadily increasing class of the population can live only by working for wages for the owners of the means of production—the tools, the machines, the raw materials, and the means of subsistence. Given such a mode of production the cost of the laborer is made up of that sum-total of means of subsistence—or their price in terms of money—which is normally required to make and keep him fit to work, and replace him, in case of old age, disease, or death, by a new laborer—in a word, the sum required for the propagation of the working class in its required strength.

Suppose for argument's sake the average money-price of the means of subsistence to be two dollars a day. Our workman will then receive from his capitalist employer a daily wage of two dollars. For this the capitalist makes him work, say twelve hours a day, and he calculates in about the following manner:

Suppose the workman, say an engineer, has to manufacture a piece of machinery, which he completes in one day. The raw material—iron and brass in the shape required—to cost five dollars. The consumption of coal by the steam engine, the wear and tear of this engine, that of the lathe and other instruments, used by our workman, calculated per day and head—to represent one more dollar. The daily wage we have assumed to be two dollars. The total cost then of the piece of machinery would be eight dollars. The capitalist however calculates that the average price which he receives from his customer is ten dollars—that is, two dollars above the cost advanced.

Whence do these two dollars come, which the capitalist pockets? According to what classical political economy says, commodities are sold normally at their values—that is, at prices which correspond to the quantities of necessary labor embodied in them. The average price of the piece of machinery—ten dollars—would thus equal its value, or the amount of labor embodied in it. But out of these ten dollars, six dollars were values already in existence, before our en-

gineer began to work. Five dollars were contained in the raw material, one dollar either in the coal which was burned up during the work, or in the machinery and instruments which were used during the process and by that much became deteriorated in value by losing an aliquot part of their efficiency. There remain then four dollars which have been added to the value of the raw material. These four dollars, however, according to the very assumption of our economists, can be due solely to the labor applied by the workman to the raw material. His twelve hours' labor has then created a new value of four dollars. The value of his twelve hours' labor, it would seem, equals then four dollars. The problem, "what is the value of labor," would thus seem to be solved.

"Stop there!" interjects our engineer. "Four dollars? Why! I have received but two. My employer assures me with all his heart, that the value of my twelve hours' work is but two dollars, and finds it ridiculous for me to demand four. Well, how do you account for it?"

It appears then, that whereas before, while trying to define the value of labor, we have landed in a vicious circle, we have now become hopelessly involved in an unsolvable contradiction. We have been seeking the value of labor, and found more than we can use. For the workman the value of twelve hours' labor is two dollars, for the capitalist four dollars, out of which he pays the workman two in the form of wages and puts two into his own pocket. Labor then, it appears, has not one, but two values, and quite different ones, in the bargain.

The contradiction becomes even more perplexing, in case we reduce the values, as expressed in terms of money, to hours of labor. During the twelve hours of labor a new value of four dollars has been created; during six hours then, one of two dollars, the exact amount the workman is paid for twelve hours' labor. In other words for twelve hours' labor the workman receives as equivalent the product of six hours. The result, then, at which we have arrived is the alternative

conclusion either that labor has two values, of which one is double the other or that twelve equals six. In either case the result is utter nonsense.

Turn and twist as much as we like, we cannot extricate ourselves from this contradiction, as long as we use the terms "buying and selling labor" and "the value of labor." And this was exactly the fate of the economists. The last offshoot of classical economics, the Ricardian school, perished mainly for the reason that it was unable to solve this contradiction. Classical economics had become irretrievably lost in a blind alley. The man to find the way out of it, was Karl Marx.

What economists had regarded as the cost of production of labor was not the cost of labor, but that of the living laborer. And what they thought the laborer was selling to the capitalist, was not his labor. "As soon as his labor really begins," says Marx, "it ceases to belong to him, and therefore can no longer be sold by him." At best, he is able to sell his future labor—that is, he can assume the obligation to perform a definite labor service at a definite time. But by doing this he does not sell labor (which is only to be performed) he transfers to the capitalist for a definite time (in case of time-wages) or for the sake of a definite labor service (in case of piece-wages) the control over his labor-power for a definite payment; he leases, or rather sells his labor-power. This labor-power is coalescent with and inseparable from his very person; its cost of production therefore coincides with that of the individual; what the economists called the cost of production of labor, is that of the laborer and at the same time that of his labor-power. It is thus that we are able to go back of the cost of production of labor to the value of labor-power and to determine the amount of socially necessary labor, requisite for the production of labor-power of definite quality, as Marx has done in the chapter on "The Buying and Selling of Labor-Power" in *Capital*.

What happens then, when the laborer has sold his labor-power to the capitalist, has transferred to him the control

over it for a daily or piece-wage, agreed upon in advance? The capitalist takes the laborer into his shop or factory where there are already all things requisite for production, as raw material, accessory materials (coal, dye-stuffs, etc.), tools, machines. Here the laborer begins his toil. Suppose his daily wage to be, as before, two dollars, no matter whether they are paid to him in form of a daily or piece-wage. We again suppose that the laborer by his labor during a period of twelve hours has added to the raw material consumed an additional value of four dollars, which additional value is realized by the capitalist when he sells the ready product. Out of these four dollars he pays the laborer two dollars, but the other two he keeps for himself. Now if the laborer produces during twelve hours a value of four dollars, it follows that he produces a value of two dollars during six hours. Consequently he has returned to the capitalist the equivalent of his wage of two dollars, after having worked for him but six hours. After six hours of labor they have squared accounts, neither owes the other a single cent.

"Beg your pardon," interjects the capitalist now. "I have hired the laborer for an entire day, for twelve hours. Six hours are but half a day. Continue your labor until the other six hours are over, only then we shall be square!" As a matter of fact, the laborer has to live up to the "voluntarily" entered agreement, by which he had bound himself to work full twelve hours in exchange for a labor-product which costs but six hours of labor.

The same holds good in the case of piece-wages. Suppose our laborer produces twelve pieces of a certain commodity during twelve hours. The cost of the raw material, the wear and tear of the machinery amounts to say $1.33 1/3 cents, the piece sells at $1.66 2/3 cents. In such a case the capitalist, given the same terms as above, will pay the laborer a little over 16 1/2 cents a piece, for twelve pieces—two dollars, for which the laborer has toiled twelve hours. The capitalist receives for the twelve pieces twenty dollars: out of these, sixteen dollars go for raw materials and wear and tear; out of the

balance of four dollars, two go for wages and two are pocketed by the capitalist. The result then, is the same as above. In this case as well as in the first, the laborer works six hours for himself—that is, in return for his wage—and six hours for the capitalist.

The difficulty, which brought to grief even the best economists as long as they started their reasoning with the value of labor, disappears as soon as we start in its stead with the value of labor-power.

Labor-power is a commodity in our present capitalist society, to be sure—a commodity like any other, but still a peculiar commodity. It has the peculiar quality of being a power that generates value, or of being the source of value, and what is more, of being with proper treatment, the source of more value than is embodied in itself.

As a matter of fact, productive efficiency has nowadays reached such a stage that human labor-power produces during one day not only a greater value than that which it possesses and costs; but also, with each scientific discovery, with each new technical invention, the excess of its daily product over and above its daily cost increases; in other words, that part of the work-day during which the laborer is working merely to reproduce the equivalent of his daily wage is constantly decreasing, while that part is increasing, during which the laborer has to make a free gift of his labor to the capitalist, for which he is not paid at all.

And this is the economic constitution of our entire modern society: it is the working class alone which produces all values. For value is merely another expression for labor, that expression by which in our present capitalist society is designated the quantity of socially necessary labor embodied in a definite commodity. But the values produced by the laborers do not constitute their property. They are the property of the owners of the raw material, the machines, and the articles advanced to the laborers, the possession of which enables these owners to purchase the labor-power of the working class. Out

of the entire mass of produce created by the working class, it receives back but a small share.

And as we saw just now, the other share, which the capitalist class retains for itself, or at worst, has to divide with the landlord class, is becoming greater and greater with each new invention and discovery, while the share falling to the working class (calculated per head) either rises but slowly and insignificantly, or does not rise at all, and at times may even fall.

But this continuously accelerated rush of inventions and discoveries, this unprecedented daily growth of the productivity of human labor, will in the long run cause a conflict, by which our present capitalist economy must perish. On the one side incalculable wealth and a superabundance of products which the purchasers cannot find use for. On the other side, the great mass of society, proletarized, turned into wage-workers, and thereby made unable to acquire that superabundance of products. The cleavage of society into a small, extremely rich class, and a great non-possessing class of wage-workers, causes this society to suffocate from its own superabundance, whereas the great majority of its members are hardly or not at all protected against extreme want.

Such a state becomes every day more absurd and unnecessary. It must be removed, it can be removed. A new order of society is possible in which the present class differences will be a matter of the past and where—perhaps after a short, not quite satisfactory, but morally very useful transition period—by means of designed utilization and further improvement of the then existing vast productive power of all members of society, with equal obligation to work will be given, in equal degree and in constantly growing abundance, the means to live and to enjoy life, to develop and exercise all physical and intellectual capacities. And that the workingmen are more than ever determined to achieve for themselves such an order of society—to this will bear testimony, on either side of the Ocean the dawning First of May.

London, April 30, 1891.

NOTE ON DEFINITION OF TERMS

It may be well to explain, for the benefit of readers who are not familiar with Marxian terminology, the precise meaning of several words which are of frequent occurrence.

The things which men produce by their labor are, in the first place, useful things—that is, things which satisfy human needs or desires. If they were not useful, in this broad sense, they would not be produced. When considering them in this aspect, as useful products, the Marxian calls them *goods.*

Under certain circumstances, or in certain states of society, goods are goods and nothing more—in other words, they are produced solely and directly because of their usefulness. Thus in a purely rural community every family has a garden and keeps poultry and a cow or two. Vegetables, eggs, and milk are produced in order to be consumed in the household. This is what Marxians call *use-production.*

Now let this society be transformed through the introduction of factories and railways and the accompanying growth of cities. We soon find some of the farmers cultivating market gardens or running dairies or poultry farms. They produce the same kinds of goods—vegetables, eggs, and milk. They now produce them, however, not in order to use them, but in order to sell them to the city folk. Under such circumstances, according to the Marxian form of expression, goods are *commodities;* and such a society is a *commodity-producing* society.

After this social change the goods have the same kinds of utility, usefulness, or *use-value* as they had before. But they have also the power of commanding other kinds of goods in exchange—that is, they have *exchange-value* as well as use-value. When a Marxian uses the word "value" by itself, he always means exchange-value.

Every kind of goods has its own specific use-value. The use-value of milk is quite different from the use-value of shoes; and from the point of view of their usefulness neither shoes nor milk can take the place of kitchen knives or a bedstead. *Use-value is a natural relation between goods and persons.*

But when society has reached such a stage of development that various productive occupations have become specialized

and the custom of exchange (at first direct trading of one article for another, known as barter; later on, buying and selling by means of money) has become established—that is, in a commodity-producing society—all kinds of goods are interchangeable in definite proportions. The market gardener gets shoes or a bedstead by growing vegetables, the cutlers get milk and eggs by making knives, and so forth. The equivalence of a pair of shoes with so many dozen eggs does not depend upon the physical qualities of eggs and shoes; it is not a mere relation between eggs and shoes. It depends, in the last analysis, on one characteristic which shoes and eggs have in common with knives and bedsteads—that *none of them can be produced without labor.*

In the actual process of competitive buying and selling, all kinds of commodities tend to command such prices that the product of a given amount of labor in one branch of industry will purchase the product of an equal amount of labor in any other. But the methods of production and of exchange are social phenomena, as is the institution of property, without which there would be no buying and selling. Thus, whereas use-value is a natural relation between things and persons, between goods and consumers, *exchange-value is a social relation between owners, expressed in terms of commodities.*

The exchange-values of various commodities differ only in quantity, whereas the use-values of various goods differ in kind. An increase or decrease in the exchange-value of any commodity has no necessary connection with any change in its use-value, but only with some change in the amount of labor required to produce it.

In primitive society all production was use-production. After a while commodity-production began on a very small scale and gradually increased through the ages. In most parts of the world today, the production of commodities is the dominant form, while production for use plays but a very small part.—A. L.

WAGE-LABOR AND CAPITAL:

What Are Wages and How Are They Determined?

BY KARL MARX

If we were to ask the laborers "How much wages do you get?" one would reply, "I get a couple of shillings a day from my employer"; another, "I get half-a-crown" and so on. According to the different trades to which they belong they would name different sums of money which they receive from their particular employers, either for working for a certain length of time or for performing a certain piece of work; for example, either for weaving a yard of cloth, or for setting up a certain amount of type. But in spite of this difference in their statements there is one point in which they would all agree; their wages are the amount of money which their employer pays them, either for working a certain length of time or for a certain amount of work done.

Thus their employer, it would seem, buys their labor for money. For money they sell their labor to him. But this is mere appearance. What they really sell to the employer for money, is their labor-power. This labor-power the employer buys for a day, week, or month. And having bought it, he uses it by making the laborer work during a stipulated period of time. With the same sum for which the employer has bought their labor-power, as for instance, with a couple of shillings, he might have bought four pounds of sugar or a proportionate amount of any other wares. The two shillings with which he buys the four pounds of sugar, are the price of four pounds of sugar. The two shillings with which he buys the use of labor-power for twelve hours, are the price of twelve-hours labor. Labor-power is therefore as much a commodity as sugar, neither more nor less, only they measure the former by the clock, the latter by the scale.

The laborers exchange their own commodity for their employers' commodity, labor-power for money; and this exchange takes place according to a fixed proportion—so much

money for so long a use of labor-power; for twelve hours' weaving, two shillings. And do not these two shillings represent all other commodities which I may buy for two shillings? Thus the laborer has, in fact, exchanged his own commodity, labor-power, for all kinds of other commodities, and that in a fixed proportion. His employer in giving him two shillings has given him so much meat, so much clothing, so much fuel, light, and so on, in exchange for his day's work. The two shillings, therefore, express the proportion in which his labor-power is exchanged for other commodities—the exchange-value of his labor-power; and the exchange value of any commodity expressed in money is called its price. "Wage" is therefore only another name for the price of labor-power, for the price of this peculiar commodity which can have no local habitation at all except in human flesh and blood.

Take the case of any workman, a weaver for instance. The employer supplies him with thread and loom. The weaver sets to work, and the thread is turned into cloth. The employer takes possession of the cloth and sells it, say for twenty shillings. Does the weaver receive as wages a share in the cloth—in the twenty shillings—in the product of his labor? By no means. The weaver receives his wages long before the product is sold. The employer does not, therefore, pay his wages with the money he gets for the cloth, but with money previously provided.

Loom and thread are not the weaver's product, since they are supplied by the employer, and no more are the commodities which he receives in exchange for his own commodity, or, in other words, for his work. It is possible that the employer finds no purchaser for his cloth. It may be that by its sale he does not recover the wages he has paid. It may be that in comparison with the weaver's wages he makes a great bargain by its sale. But all this has nothing whatever to do with the weaver. The employer purchases the weaver's labor with a part of his available property—of his capital—in exactly the same way as he has with another part of his prop-

erty bought the raw material—the thread—and the instrument of labor—the loom. As soon as he has made these purchases—and he reckons among them the purchase of the labor necessary to the production of the cloth—he proceeds to produce it by means of the raw material and the instruments which belong to him. Among these last is, of course, reckoned our worthy weaver, who has as little share in the product, or in the price of the product, as the loom itself.

Wages, therefore, are not the worker's share of the commodities which he has produced. Wages are the share of commodities previously produced, with which the employer purchases a certain amount of productive labor-power.

Labor-power is, therefore, a commodity which its owner the wage worker, sells to capital. Why does he sell it? In order to live.

But the expenditure of the labor-power, labor, is the peculiar expression of the energy of the laborer's life. And this energy he sells to another party in order to secure for himself the means of living. For him, therefore, his energy is nothing but the means of ensuring his own existence. He works to live. He does not count the work itself as a part of his life, rather is it a sacrifice of his life. It is a commodity which he has made over to another party. Neither is its product the aim of his activity. What he produces for himself is not the silk he weaves, nor the palace that he builds, nor the gold that he digs from out the mine. What he produces for himself is his wage; and silk, gold, and palace are transformed for him into a certain quantity of means of existence—a cotton shirt, some copper coins, and a lodging in a cellar. And what of the laborer; who for twelve hours weaves, spins, bores, turns, builds, shovels, breaks stones, carries loads, and so on? Does his twelve hours' weaving, spinning, boring, turning, building, shoveling, and stone-breaking represent the active expression of his life? On the contrary. Life begins for him exactly where this activity of his ceases—at his meals, on the public-house bench, in his bed. His twelve hours' work has no meaning for him as weaving,

spinning, boring, and so forth, but only as earnings whereby he may obtain his meals, his seat in the public-house, his bed. If the silkworm's object in spinning were to prolong its existence as a caterpillar, it would be a perfect example of a wage worker.

Labor-power was not always a commodity. Labor was not always wage-labor—that, is, free labor. The slave does not sell his labor to the slave-owner. The slave, along with his labor, is sold once for all to his owner. He is a commodity which can pass from the hand of one owner to that of another. He himself is a commodity, but his labor is not his commodity. The serf sells only a portion of his labor. He does not receive his wages from the owner of the soil; rather the owner of the soil receives a tribute from him. The serf belongs to the soil, and to the lord of the soil he brings its fruits. The free laborer on the other hand, sells himself, and that by fractions. From day to day he sells by auction, eight, ten, twelve, fifteen hours of his life to the highest bidder—to the owner of the raw material, the instruments of work, and the means of life; that is, to the employer. The laborer himself belongs neither to an owner nor to the soil; but eight, ten, twelve, fifteen hours of his daily life belong to the man who buys them. The laborer leaves the employer to whom he has hired himself whenever he pleases; and the employer discharges him whenever he thinks fit; either as soon as he ceases to make a profit out of him or fails to get as high a profit as he requires. But the laborer, whose only source of earning is the sale of his labor-power, cannot leave the whole class of its purchasers—that is, the capitalist class—without renouncing his own existence. He does not belong to this or that particular employer, but he does belong to the capitalist class; and more than that; it is his business to find an employer; that is, among this capitalist class it is his business to discover his own particular purchaser.

Before going more closely into the relations between capital and wage-labor, it will be well to give a brief survey of

those general relations which are taken into consideration in determining the amount of wages.

As we have seen, wages are the price of a certain commodity, labor-power. Wages are thus determined by the same law which regulates the price of any other commodity.

Thereupon the question arises, By what means is the price of a commodity determined?

By means of competition between buyers and sellers and the relations between supply and demand—offer and desire. And this competition by which the price of an article is fixed is three-fold.

The same commodity is offered in the market by various sellers. Whoever offers the greatest advantage to purchasers is certain to drive the other sellers off the field, and secure for himself the greatest sale. The sellers, therefore, fight for the sale and the market among themselves. Every one of them wants to sell, and does his best to sell much, and if possible to become the only seller. Therefore each outbids the other in cheapness, and a competition takes place among the sellers which lowers the price of the goods they offer.

But a competition also goes on among the purchasers, which on their side raises the price of the goods offered.

Finally competition is going on between buyers and sellers; the one set want to buy as cheap as possible, the other to sell as dear as possible. The result of this competition between buyers and sellers will depend upon the relations of the two previous aspects of the competition; that is, upon whether the competition in the ranks of the buyers or that in those of the sellers is the keener. Business thus leads two opposing armies into the field, and each of them again presents the aspect of a battle in its own ranks among its own soldiers. That army whose troops are least mauled by one another carries off the victory over the opposing host.

Let us suppose that there are a hundred bales of cotton in the market, and at the same time buyers in want of a thousand bales. In this case the demand is greater than the supply.

The competition between the buyers will therefore be intense; each of them will do his best to get hold of all the hundred bales of cotton. This example is no arbitrary supposition. In the history of the trade we have experienced periods of failure of the cotton plant, when particular companies of capitalists have endeavored to purchase, not only a hundred bales of cotton, but the whole stock of cotton in the world. Therefore in the case supposed each buyer will try to beat the others out of the field by offering a proportionately higher price for the cotton. The cotton-sellers perceiving the troops of the hostile host in violent combat with one another, and being perfectly secure as to the sale of all their hundred bales, will take very good care not to begin squabbling among themselves in order to depress the price at the very moment when their adversaries are emulating each other in the process of screwing it higher up. Peace is, therefore, suddenly proclaimed in the army of the sellers. They present a united front to the purchaser, and fold their arms in philosophic content; and their claims would be absolutely boundless if it were not that the offers of even the most pressing and eager of the buyers must always have some definite limit.

Thus if the supply of a commodity is not so great as the demand for it, the competition between the buyers is keen, but there is none or hardly any among the sellers. Result: A more or less important rise in the price of goods.

As a rule the converse case is of much more frequent occurrence, producing an opposite result—large excess of supply over demand; desperate competition among the sellers; dearth of purchasers; forced sale of goods dirt cheap.

But what is the meaning of the rise and fall in prices? What is the meaning of higher price or lower price? A grain of sand is high, when looked at through a microscope, and a tower is low when compared with a mountain. And if price is determined by the relation between supply and demand, how is the relation between supply and demand itself determined?

Let us turn to the first worthy citizen we meet. He will

not take an instant to consider, but like a second Alexander the Great will cut the metaphysical knot by the help of his multiplication table. "If the production of the goods which I sell," he will tell us, "has cost me £100, and I get £110 by their sale—within the year, you understand—that's what I call a sound, honest, reasonable profit. But if I make £120 or £130 by the sale, that is a higher profit; and if I were to get a good £200, that would be an exceptional, an enormous profit." What is it then that serves our citizen as the measure of his profit? The cost of production of his goods. If he receives in exchange for them an amount of other goods whose production has cost less, he has lost by his bargain. If he receives an amount whose production has cost more, he has gained. And he reckons the rise and fall of his profit by the number of degrees at which it stands with reference to his zero—the cost of production.

We have now seen how the changing proportion between supply and demand produces the rise and fall of prices, making them at one time high, at another low. If through failure in the supply, or exceptional increase in the demand, an important rise in the price of a commodity takes place, then the price of another commodity must have fallen; for, of course, the price of a commodity only expresses in money the proportion in which other commodities can be exchanged with it. For instance, if the price of a yard of silk rises from five to six shillings, the price of silver has fallen in comparison with silk; and in the same way the price of all other commodities which remain at their old prices has fallen if compared with silk. We have to give a larger quantity of them in exchange in order to obtain the same quantity of silk. And what is the result of a rise in the price of a commodity? A mass of capital is thrown into that flourishing branch of business, and this immigration of capital into the province of the privileged business will last until the ordinary level of profits is attained; or rather, until the price of the products sinks below the cost of production, through overproduction.

Conversely, if the price of a commodity falls below the cost of its production, capital will be withdrawn from the production of this commodity. Except in the case of a branch of industry which has become obsolete, and is therefore doomed to disappear, the result of this flight of capital will be that the production of this commodity, and therefore its supply, will continually dwindle until it corresponds to the demand; and thus its price rises again to the level of the cost of its production; or rather, until the supply has fallen below the demand; that is, until its price has again risen above its cost of production; for the price of any commodity is always either above or below its cost of production.

We see, then, how it is that capital is always immigrating and emigrating, from the province of one industry into that of another. High prices bring about an excessive immigration, and low prices, an excessive emigration.

We might show from another point of view how not only the supply, but also the demand, is determined by the cost of production; but this would lead us too far from our present subject.

We have just seen how the fluctuations of supply and demand always reduce the price of a commodity to its cost of production. It is true that the precise price of a commodity is always either above or below its cost of production; but the rise and fall reciprocally balance each other, so within a certain period, if the ebb and flow of the business are reckoned up together, commodities are exchanged with one another in accordance with their cost of production; and thus their cost of production determines their price.

The determination of price by cost of production is not to be understood in the sense of the economists. The economists declare that the average price of commodities is equal to the cost of production; this, according to them, is a law. The anarchical movements in which the rise is compensated by the fall, and the fall by the rise, they ascribe to chance. With just as good a right, we might consider, like some other economists, the fluctuations as the law, and ascribe

the fixing of price by cost of production to chance. But if we look closely, we see that it is precisely these fluctuations, although they bring the most terrible desolation in their train, and shake the fabric of bourgeois society like earthquakes, it is precisely these fluctuations which in their course determine price by cost of production. In the totality of this disorderly movement is to be found its order. Throughout these alternating movements in the course of this industrial anarchy, competition, as it were, cancels one excess by means of another.

We gather, therefore, that the price of a commodity is determined by its cost of production because those periods in which it exceeds its cost of production are compensated by the periods in which it sinks below this cost, and conversely. Of course this does not hold good for one single particular product of an industry, but only for that entire branch of industry. So also it does not hold good for a particular manufacturer, but only for the entire industrial class.

The determination of price by cost of production is the same thing as its determination by the duration of the labor which is required for the manufacture of a commodity; for cost of production may be divided into (1) raw material and implements, that is, products of industry whose manufacture has cost a certain number of days' work, and which therefore represent a certain amount of work-time; and (2) actual labor, which is measured by its duration.

Now, the same general laws, which universally regulate the price of commodities, of course regulate wages, the price of labor.

Wages will rise and fall in accordance with the proportion between demand and supply—that is, in accordance with the conditions of the competition between capitalists as buyers and laborers as sellers of labor. The fluctuations of wages correspond in general with the fluctuations in the price of commodities. Within these fluctuations *the price of labor is regulated by its cost of production, that is, by the duration of*

labor which is required in order to produce this commodity, labor-power.

Now what is the cost of production of labor-power?

It is the cost required for the production of a laborer and for his maintenance as a laborer.

The shorter the time requisite for instruction in any labor, the less is the laborer's cost of production, and the lower are his wages, the price of his work. In those branches of industry which scarcely require any period of apprenticeship, and where the mere bodily existence of the labor is sufficient, the requisite cost of his production and maintenance are almost limited to the cost of the commodities which are requisite to keep him alive and fit for work. The price of his labor is therefore determined by the price of the bare necessaries of his existence.

Here, however, another consideration comes in. The manufacturer, who reckons up his expenses of production and determines accordingly the price of the product, takes into account the wear and tear of the machinery. If a machine costs him £200 and wears itself out in ten years, he adds £10 a year to the price of his goods, in order to replace the worn-out machine by a new one when the ten years are up. In the same way we must reckon in the cost of production of simple labor the cost of its propagation; so that the race of laborers may be put in a position to multiply and to replace the worn out workers by new ones. Thus the wear and tear of the laborer must be taken into account just as much as the wear and tear of the machine.

The cost of production of simple labor-power amounts then to the cost of the laborer's subsistence and propagation, and the price of this cost determines his wages. When we speak of wages we mean the minimum of wages. This minimum of wages holds good, just as does the determination by the cost of production of the price of commodities in general, not for the particular individual, but for the species. Individual laborers, indeed millions of them, do not receive enough to enable them to subsist and propagate; but the wages of the working class

with all their fluctuations are nicely adjusted to this minimum.

Now that we are grounded on these general laws which govern wages just as much as the price of any other commodity, we can examine our subject more exactly.

"Capital consists of raw material, implements of labor, and all kinds of means of subsistence, which are used for the production of new implements and new means of subsistence. All these factors of capital are created by labor, are products of labor, are stored-up labor. Stored-up labor which serves as the means of new production is capital."

So say the economists.

What is a Negro slave? A human creature of the black race. The one definition is just as valuable as the other.

A Negro is a Negro. In certain conditions he is transformed into a slave. A spinning-jenny is a machine for spinning cotton. Only under certain circumstances does it become capital. Outside these circumstances it is no more capital than gold is intrinsically money, or sugar is the price of sugar. In the work of production men do not stand in relation to nature alone, but also to each other. They only produce when they work together in a certain way and mutually enter upon certain relations and conditions, and it is only within these relations and conditions that their relation to nature is defined, and production becomes possible.

These social relations upon which the producers mutually enter, the terms upon which they exchange their energies and take their share in the collective act of production, will of course differ according to the character of the means of production. With the invention of firearms as implements of warfare the whole organization of the army was of necessity altered; and with the alteration in the relations through which individuals form an army, and are enabled to get together as an army, there was a simultaneous alteration in the relations of armies to one another.

Thus with an alteration and development of the material means of production, that is, powers of production, there will also take place a transformation of the social relations within

which individuals produce, that is, of the social relations of production. The relations of production collectively form those social relations which we call a society, and a society with a definite degree of historical development, a society with an appropriate and distinctive character. Ancient society, feudal society, bourgeois society, are instances of these sums-total of the relations of production, each of which also marks out an important step in the historical development of mankind.

Now *capital* also is a social relation of production. It is a bourgeois relation of production, a condition of production of a bourgeois society. Are not the means of subsistence, the implements of labor, and the raw material, of which capital consists, the results of definite social relations; were they not produced and stored up under certain social conditions? Will they not be used for further production under certain social conditions within definite social relations? And is it not just this definite social character that transforms into capital that product which serves for further production?

Capital does not consist of means of subsistence, implements of labor, and raw material alone, nor only of material products; it consists just as much of exchange-values. All the products of which it consists are commodities. Thus capital is not merely the sum of material products; it is a sum of commodities, of exchange values, of social quantities.

Capital remains unchanged if we substitute cotton for wool, rice for corn, and steamers for railways; provided only that the cotton, the rice, the steamers—the bodily form of capital—have the same exchange value, the same price, as the wool, the corn, the railways, in which it formerly embodied itself. The bodily form of capital may change continually, while the capital itself undergoes not the slightest alteration.

But though all capital is a sum of commodities, that is, of exchange-values, not every sum of commodities, of exchange-values, is capital.

Every sum of exchange-values is an exchange-value and inversely, each exchange-value is a sum of exchange-values.

For instance, a house worth a thousand pounds is an exchange-value of a thousand pounds. A penny-worth of paper is the sum of the exchange-values of a hundred hundredths of a penny. Products which may be mutually exchanged are commodities. The definite proportion in which they are exchangeable forms their exchange-value, or expressed in money, their price. The amount of these products can do nothing to alter their definition as being commodities, or as representing an exchange-value, or as having a certain price. Whether a tree be large or small, it remains a tree. Whether we exchange iron for other wares in ounces or in hundredweights that makes no difference in its character as a commodity possessing exchange-value. According to its amount it is a commodity of more or less value, with a higher or lower price.

How, then, can a sum of commodities, or exchange-values, become capital?

By maintaining and multiplying itself as an independent social power—that is, as the power of a portion of society—by means of its exchange for direct, living labor-power. *Capital necessarily presupposes the existence of a class which possesses nothing but labor force. It is the lordship of past, stored-up, realized labor over actual, living labor that transforms the stored-up labor into capital.*

Capital does not consist in the fact that stored-up labor is used by living labor as a means to further production. It consists in the fact that living labor serves as the means whereby stored-up labor may maintain and multiply its own exchange-value.

What is it that takes place in the exchange between capital and wage-labor?

The laborer receives in exchange for his labor-power the means of subsistence; but the capitalist receives in exchange for the means of subsistence—labor, the productive activity of the laborer, the creative force whereby the laborer not only replaces what he consumes, but also gives to the stored-up labor a greater value than it had before. The laborer receives

from the capitalist a share of the previously provided means of subsistence. To what use does he put these means of subsistence? He uses them for immediate consumption. But as soon as I consume my means of subsistence, they disappear and are irrecoverably lost to me: it therefore becomes necessary that I should employ the time during which these means keep me alive in order to produce new means of subsistence, so that during their consumption I may provide by my labor new value in the place of that which thus disappears. But it is just this noble reproductive power which the laborer has to bargain away to capital in exchange for the means of subsistence which he receives. To him therefore, it is entirely lost.

Let us take an example. A farmer gives his day-laborer two shillings a day. For this two shillings the latter works throughout the day on the farmer's field, and so secures him a return of four shillings. The farmer does not merely receive back the value which he had advanced to the day laborer; he doubles it. He has spent or consumed the two shillings which he gave to the day-laborer in a fruitful and productive fashion. He has bought for two shillings just that labor and force of the day-laborer which produces fruits of the earth of twice the value, and turns two shillings into four. The day-laborer, on the other hand, receives in place of his productive force, whose effects he has just bargained away to the farmer, two shillings; and these he exchanges for means of subsistence; which means of subsistence he proceeds with more or less speed to consume. The two shillings have thus been consumed in double fashion; productively for capital, since they have been exchanged for the labor force which produced the four shillings; unproductively for the laborer, since they have been exchanged for means of subsistence which have disappeared for ever, and whose value he can only recover by repeating the same bargain with the farmer. *Thus capital presupposes wage-labor and wage-labor presupposes capital; one is a necessary condition to the existence of the other; they mutually call each other into existence.*

Does an operator in a cotton factory produce merely cotton goods? No. He produces capital. He produces values which give fresh command over his labor, and which, by means of such command, create fresh values.

Capital can only increase when it is exchanged for labor-power, when it calls wage-labor into existence. Wage-labor can only be exchanged for capital by augmenting capital and strengthening the power whose slave it is. *An increase of capital is therefore an increase of the proletariat, that is, of the laboring class.*

The interests of the capitalist and the laborer are therefore identical, assert the bourgeoisie and their economists. And, in fact, so they are! The laborer perishes if capital does not employ him. Capital perishes if it does not exploit labor, and in order to exploit it, it must buy it. The faster the capital devoted to production—the productive capital—increases, and the more successfully the industry is carried on, the richer do the bourgeoisie become, the better does business go, the more laborers does the capitalist require, and the dearer does the laborer sell himself.

Thus the indispensable condition of the laborer's securing a tolerable position is the speediest possible growth of productive capital.

But what is the meaning of the increase of productive capital? The increase of the power of stored-up labor over living labor. The increase of the dominion of the bourgeoisie over the laboring class. As fast as wage-labor creates its own antagonist and its own master in the dominating power of capital, the means of employment, that is, of subsistence, flow back to it from its antagonist; but only on condition that it convert itself anew into a portion of capital, and thus become the lever whereby the increase of capital may be again hugely accelerated.

Thus the statement that the interests of capital and labor are identical comes to mean merely this: capital and wage-labor are the two sides of one and the same relation. The one conditions the other, just in the same way that the

usurer and the borrower condition each other mutually.

So long as the wage-laborer remains a wage-laborer, his lot in life is dependent upon capital. That is the exact meaning of the famous community of interests between capital and labor.

The increase of capital is attended by an increase in the amount of wage-labor and in the number of wage-laborers; or, in other words, the dominion of capital is spread over a larger number of individuals. And, to assume even the most favorable case, with the increase of productive capital there is an increase in the demand for labor. And thus wages, the price of labor, will rise.

A house may be large or small, but as long as the surrounding houses are equally small, it satisfies all social requirements of a dwelling place. But let a palace arise by the side of this small house, and it shrinks from a house into a hut. The smallness of the house now indicates that its occupant is permitted to have either very few claims or none at all; and however high it may shoot up with the progress of civilization, if the neighboring palace shoots up also in the same or in greater proportion, the occupant of the comparatively small house will always find himself more uncomfortable, more discontented, confined within his four walls.

A notable advance in the amount paid as wages presupposes a rapid increase of productive capital. The rapid increase of productive capital calls forth just as rapid an increase in wealth, luxury, social wants, and social comforts. Therefore, although the comforts of the laborer have risen, the social satisfaction which they give has fallen in comparison with these augmented comforts of the capitalist, which are unattainable for the laborer, and in comparison with the scale of general development society has reached. Our wants and their satisfaction have their origin in society; we therefore measure them in their relation to society, and not in relation to the objects which satisfy them. Since their nature is social, it is therefore relative.

As a matter of fact, wages are determined not merely by

the amount of commodities for which they may be exchanged. They depend upon various relations.

What the laborer receives in the first place for his labor is a certain sum of money. Are wages determined merely by this money price?

In the sixteenth century the gold and silver in circulation in Europe was augmented in consequence of the discovery in America of mines which were relatively rich and could easily be worked. The value of gold and silver fell, therefore, in proportion to other commodities. The laborers received for their labor the same amount of silver coin as before. The money price of their labor remained the same, and yet their wages had fallen, for in exchange for the same sum of silver they obtained a smaller quantity of other commodities. This was one of the circumstances which furthered the increase of capital and the rise of the bourgeoisie in the sixteenth century.

Let us take another case. In the winter of 1847, in consequence of a failure of the crops, there was a notable increase in the price of the indispensable means of subsistence, as corn, meat, butter, cheese, and so on. We will suppose that the laborers still received the same sum of money for their labor-power as before. Had not their wages fallen then? Of course they had. For the same amount of money they received in exchange less bread, meat, etc.; and their wages had fallen, not because the value of silver had diminished, but because the value of the means of subsistence had increased.

Let us finally suppose that the money price of labor remains the same, while in consequence of the employment of new machinery, or on account of a good season, or for some similar reason, there is a fall in the price of all agricultural and manufactured goods. For the same amount of money the laborers can now buy more commodities of all kinds. Their wages have therefore risen, just because their money-value has not changed.

The money price of labor, the nominal amount of wages, does not therefore coincide with the real wages, that is, with the amount of commodities that may practically be obtained

in exchange for the wages. Thus, if we speak of the rise and fall of wages, the money price of labor, or the nominal wage, is not the only thing which we must keep in view.

But neither the nominal wages, that is, the amount of money for which the laborer sells himself to the employer, nor yet the real wages, that is, the amount of commodities which he can buy for this money, exhaust the relations which are comprehended in the term of wages.

Wages are above all determined by their relation to the gain or profit of the capitalist. It is in this connection that we speak of relative wages.

The real wage expresses the price of labor in relation to the price of other commodities; the relative wage, on the contrary, expresses *the proportionate share which living labor gets of the new values created by it as compared to that which is appropriated by stored-up labor or capital.* We said above: "Wages are not the worker's share of the commodities, which he has produced. Wages are the share of commodities previously produced with which the employer purchases a certain amount of productive labor-power." But the amount of these wages the capitalist has to take out from the price, which he realizes for the product created by the workman, and as a rule, there remains yet for him a profit, an excess over and above the cost of production advanced by him. For the capitalist then the selling price of the commodity, produced by the workman, becomes divided into three parts—the first, to make up for the price of the advanced raw material and also for the wear and tear of the tools, machinery, and other instruments of labor also advanced by him; the second, to make up for the wages advanced by him; the third, the excess over and above these two parts, constitutes the profit of the capitalist. Whereas the first part merely replaces values, which had a previous existence, that part, which goes to replace wages, as well as the excess which constitutes profits, are, as a rule, clearly taken out of the new value, created by the labor of the workman, and added to the raw material. And in this sense, we

may regard both wages and profits for the sake of comparison as shares of the product of the workman.

Real wages may remain the same, or they may even rise, and yet the relative wages may none the less have fallen. Let us assume, for example, that the price of all the means of subsistence has fallen by two-thirds, while a day's wages have only fallen one-third, as for instance, from three shillings to two. Although the laborer has a larger amount of commodities at his disposal for two shillings than he had before for three, yet his wages are nevertheless diminished in proportion to the capitalist's gain. The capitalist's profit—the manufacturer's, for instance—has been augmented by a shilling, since for the smaller sum of exchange-values which he pays to the laborer, the laborer has to produce a larger sum of exchange-values than he did before. The share of capital is raised in proportion to the share of labor. The division of social wealth between capital and labor has become more disproportionate. The capitalist commands a larger amount of labor with the same amount of capital. The power of the capitalist class over the laboring class is increased; the social position of the laborer has deteriorated, and is depressed another degree below that of the capitalist.

What then is the general law which determines the rise and fall of wages and profit in their reciprocal relation?

They stand in inverse proportion to one another. The share of capital, profit, rises in the same proportion in which the share of labor, wages, sinks; and inversely. The rise in profit is exactly measured by the fall in wages and the fall in profit by the rise in wages.

The objection may perhaps be made that the capitalist may have gained a profit by advantageous exchange of his products with other capitalists, or by a rise in the demand for his goods, whether in consequence of the opening of new markets, or of a greater demand in the old markets; that the profit of the capitalist may thus increase by means of overreaching another capitalist, independently of the rise and fall of wages and the exchange-value of labor-power, or that the

profit of the capitalist may also rise through an improvement in the implements of labor, a new application of natural forces, and so on.

But it must nevertheless be admitted that the result remains the same, although it is brought about in a different way. To be sure profits have not risen for the reason that wages have fallen, but wages have fallen all the same for the reason that profits have risen. The capitalist has acquired a larger amount of exchange-value with the same amount of labor, without having had to pay a higher price for the labor on that account; that is to say a lower price has been paid for the labor in proportion to the net profit which it yields to the capitalist.

Besides we must remember that in spite of the fluctuations in the price of commodities, the average price of each commodity—the proportion in which it exchanges for other commodities—is determined by its cost of production. The over-reaching and tricks that go on within the capitalist class therefore necessarily cancel one another. Improvements in machinery and new applications of natural forces to the service of production enable them to turn out in a given time with the same amount of labor and capital a larger quantity of exchange-values. If by the application of the spinning-jenny I can turn out twice as much thread in an hour as I could before its invention—for instance, a hundred pounds instead of fifty—then the consequence in the long run will be that I will receive in exchange for them no more commodities than before for fifty, because the cost of production has been halved, or because at the same cost I can turn out double the amount of products.

Finally in whatsoever proportion the capitalist class—the bourgeoisie—whether of one country or of the world's market—share among themselves the net profits of production, the total amount of these net profits always consists merely of the amount by which, taking all in all, stored-up labor has been increased by means of living labor. This sum total increases, therefore, in the proportion in which labor augments

capital; that is, in the proportion in which profit rises as compared with wages.

Thus we see that even if we confine ourselves to the relation between capital and wage-labor, the interests of capital are in direct antagonism to the interests of wage-labor.

A rapid increase of capital is equal to a rapid increase of profits. Profits can only make a rapid increase, if the exchange-value of labor—the relative wage—makes an equally rapid decline.

Relative wages may decline, although the real wages rise together with nominal wages, or the money price of labor; if only it does not rise in the same proportion as profit. For instance, if when trade is good, wages rise five per cent., and profits on the other hand thirty per cent., then the proportional or relative wage has not increased but declined.

Thus if the income of the laborer increases with the rapid growth of capital, yet at the same time there is a widening of the social gulf which separates the laborer from the capitalist, and also an increase in the power of capital over labor and in the dependence of labor upon capital.

The meaning of the statement that the laborer has an interest in the rapid increase of capital is merely this; the faster the laborer increases his master's dominion, the richer will be the crumbs that he will get from his table; and the greater the number of laborers that can be employed and called into existence, the greater will be the number of slaves dependent upon capital.

We have thus seen that *even the most fortunate situation for the working class, the speediest possible increase of capital, however much it may improve the material condition of the laborer, cannot abolish the opposition between his interests and those of the bourgeois or capitalist class.* Profit and wages remain just as much as ever in inverse proportion.

When capital is increasing fast, wages may rise, but the profit of capital will rise much faster. The material position of the laborer has improved, but it is at the expense of his

social position. The social gulf which separates him from the capitalist has widened.

Finally, the meaning of the most favorable condition of wage-labor—that is, the quickest possible increase of productive capital—is merely this: The faster the working classes enlarge and extend the hostile power that dominates over them, the better will be the conditions under which they will be allowed to labor for the further increase of bourgeois wealth and for the wider extension of the power of capital, and thus contentedly to forge for themselves the golden chains by which the bourgeoisie drags them in its train.

But are the increase of productive capital and the rise of wages so indissolubly connected as the bourgeois economists assert? We can hardly believe that the fatter capital becomes, the more will its slave be pampered. The bourgeoisie is too enlightened, and keeps its accounts much too carefully, to care for that privilege of the feudal nobility, the ostentation of splendor among its retinue. The very conditions of bourgeois existence compel it to keep careful accounts.

We must therefore inquire more closely into the effect which the increase of productive capital has upon wages.

With the general increase of the productive capital of a bourgeois society a more manifold accumulation of labor takes place. The capitalists increase in number and size. The increase in the amount of capital increases the competition among capitalists. The increased size of individual capital gives the means of leading into the industrial battle-field mightier armies of laborers furnished with more gigantic implements of war.

The one capitalist can only succeed in driving the other off the field and taking possession of his capital by selling his wares at a cheaper rate. In order to sell more cheaply without ruining himself he must produce more cheaply, that is, he must increase as much as possible the productiveness of labor. But the most effective way of making labor more productive is by means of a more complete division of labor, by the more extended use and continual improvement of

machinery. The larger the army of workmen, among whom the labor is divided, and the more gigantic the scale on which machinery is introduced, the more does the relative cost of production decline, and the more fruitful is the labor. Thus arises a universal rivalry among capitalists with the object of increasing the division of labor and machinery, and keeping up the utmost possible progressive rate of exploitation.

Now, if by means of a greater subdivision of labor, by the employment and improvement of new machines, or by the more skillful and profitable use of the forces of nature, a capitalist has discovered the means of producing a larger amount of commodities than his competitors with the same amount of labor, whether it be stored-up labor or direct—if he can for instance, spin a complete yard of cotton in the time which it takes his competitors to spin half a yard—how will this capitalist proceed to act?

He might go on selling half a yard at its former market price; but that would not have the effect of driving his opponents out of the field and increasing his own sale. But the need of increasing his sale has increased in the same proportion as his production. The more effective and more expensive means of production which he has called into existence enable him, to be sure, to sell his wares cheaper, but they also compel him to sell more wares and to secure a much larger market for them. Our capitalist will therefore proceed to sell his half a yard of cotton cheaper than his competitors.

The capitalist will not, however, sell his complete yard as cheaply as his competitors sell the half, although its entire production does not cost him more than the production of half costs the others. For in this case he would gain nothing, but would only get back the cost of its production. The contingent increase in his receipts would result from his having set in motion a larger capital, but not from having made his capital more profitable than that of the others. Besides, he gains the ends he is aiming at if he prices his goods only a slight percentage lower than his competitors. He drives them off the field, and wrests from them, at any rate, a portion

of their sale, if only he undersells them. And, finally, we must remember that the price current always stands either above or below the cost of production, according as the sale of a commodity is transacted at a favorable or unfavorable period of business. According as the market price of a yard of cloth is above or below its former cost of production, the percentage will vary by which the capitalist, who has employed the new and more productive means of production, sells above his actual cost of production.

But our capitalist does not find his privilege very lasting. Other rival capitalists introduce, with more or less rapidity, the same machines and the same division of labor on the same or even more extended scale; and this introduction becomes general, until the price of the yard of cloth is reduced, not only below its old, but below its new cost of production.

Thus the capitalists find themselves relatively in the same position in which they stood before the introduction of the new means of production; and if they are by these means enabled to offer twice the amount of products for the same price, they now find themselves compelled to offer double the amount for less than the old price. Starting from the new scale of production the old game begins anew. There is greater subdivision of labor, more machinery, and more rapid progress in the exploitation of both. Whereupon competition brings about the same reaction against this result.

Thus we see how the mode and means of production are continually transformed and revolutionized, and how the division of labor necessarily brings in its train a greater division of labor; the introduction of machinery, a still larger introduction; and production on a large scale, production on a still larger scale.

This is the law which continually drives bourgeois production out of its old track, and compels capital to intensify the productive powers of labor for the very reason that it has already intensified them—the law that allows it no rest, but for ever whispers in its ear the words "Quick march!"

This is no other law than that which, cancelling the periodical fluctuations of business, necessarily identifies the price of a commodity with its cost of production.

However powerful the means of production which a particular capitalist may bring into the field, competition will make their adoption general; and the moment it becomes general the sole result of the greater fruitfulness of his capital is that he must now, for the same price, offer ten, twenty, a hundred times as much as before. But as he must dispose of, perhaps, a thousand times as much in order to outweigh the decrease in the selling price by the larger amount of the products sold, since a larger sale has now become necessary, not only to gain a larger profit, but also to replace the cost of production,—and the implements of production, as we have seen, always get more expensive—and since this larger sale has become a vital question, not only for him, but also for his rivals, the old strife continues, with all the greater violence, the more fruitful the previously discovered means of production are. Thus the subdivision of labor and the employment of new machinery take a fresh start, and proceed with still greater rapidity.

And thus, whatever the power of the means of production employed, competition does its best to rob capital of the golden fruit which it produces, by reducing the price of commodities to their cost of production,—and, as fast as their production is cheapened, compelling, as if by a despotic law, a continually larger supply of cheaper products to be offered at lower prices. Thus the capitalist will have nothing for his exertions beyond the obligation to produce during the same time an amount larger than before, and an enhancement of the difficulty of employing his capital to advantage. While competition continually persecutes him with its law of the cost of production, and turns against himself every weapon which he forges against his rivals, the capitalist continually tries to cheat competition by incessantly introducing further subdivision of labor and replacing the old machines

by new ones, which, though more expensive, produce more cheaply, instead of waiting till competition has rendered them obsolete.

Let us now look at this feverish agitation as it affects the markets of the whole world, and we shall understand how the increase, accumulation, and concentration of capital bring in their train an uninterrupted and extreme subdivision of labor, always advancing with gigantic strides of progress, and a continual employment of new machinery, together with improvement of the old.

But how do these circumstances, inseparable as they are from the increase of productive capital, affect the determination of the amount of wages?

The greater division of labor enables one laborer to do the work of five, ten, twenty; it therefore multiplies the competition among laborers, five, ten, or twenty times. The laborers do not compete only when one sells himself cheaper than another, they also compete when one does the work of five, ten, or twenty; and the division of labor which capital introduces and continually increases, compels the laborers to enter into this kind of competition with one another.

Further, in the same proportion in which the division of labor is increased, the labor itself is simplified. The special skill of the laborer becomes worthless. It is changed into a monotonous and uniform power of production, which gives play neither to bodily nor to intellectual elasticity. His labor becomes accessible to everybody. Competitors, therefore, crowd around him from all sides; and besides, we must remember that the more simple and easily learnt the labor is, and the less it costs a man to make himself master of it, so much the lower must its wages sink, since they are determined, like the price of every other commodity, by its cost of production.

Therefore, exactly as the labor becomes more unsatisfactory and unpleasant, in that very proportion competition increases and wages decline. The laborer does his best to maintain the rate of wages by performing more labor, whether by working

for a greater number of hours, or by working harder in the same time. Thus, driven by necessity, he himself increases the evil consequences of the subdivision of labor. So the result is this: the more he labors the less reward he receives for it; and that for the simple reason—that he competes against his fellow workmen, and thus compels them to compete against him, and to offer their labor on as wretched conditions as he does; and that he thus, in the last result, competes against himself as a member of the working class.

Machinery has the same effect, but on a much larger scale. It supplants skilled laborers by unskilled, men by women, adults by children; where it is newly introduced it throws the hand-laborers upon the streets in crowds; and where it is perfected, improved, or replaced by more powerful machines, discards them in slightly smaller numbers. We have sketched above, in hasty outlines, the industrial war of capitalists with one another; and the war has this peculiarity, that its battles are won less by means of enlisting than of discharging its industrial recruits. The generals, or capitalists, vie with one another as to who can dispense with the greatest number of soldiers.

The economists repeatedly assure us that the laborers who are rendered superfluous by the machine find new branches of employment.

They have not the hardihood directly to assert that the laborers who are discharged enter upon the new branches of labor. The facts cry out too loud against such a lie as this. They only declare that, for other divisions of the laboring class, as, for instance, for the rising generation of laborers who were just ready to enter upon the defunct branch of industry, new means of employment will open up. Of course that is a great satisfaction for the dismissed laborers. The worshipful capitalists will not find their fresh supply of exploitable flesh and blood running short and will let the dead bury their dead. This is indeed a consolation with which the bourgeois comfort themselves rather than the laborers. If the whole class of wage-laborers were annihilated by the

machines, how shocking that would be for capital, which, without wage-labor, ceases to act as capital at all.

But let us suppose that those who are directly driven out of their employment by machinery, and also all those of the rising generation who were expecting employment in the same line, find some new employment. Does anyone imagine that this will be as highly paid as that which they have lost? Such an idea would be in direct contradiction to all the laws of economy. We have already seen that the modern form of industry always tends to the displacement of the more complex and the higher kinds of employment by those which are more simple and subordinate.

How, then, could a crowd of laborers, who are thrown out of one branch of industry by machinery, find refuge in another without having to content themselves with a lower position and worse pay?

The laborers who are employed in the manufacture of machinery itself have been instanced as an exception. As soon as more machinery is demanded and used in industry it is said that there must necessarily be an increase in the number of machines, therefore in the manufacture of machines, and therefore also in employment of laborers in this manufacture; and the laborers who are employed in this branch of industry will be skilled, and, indeed, even educated laborers.

Ever since the year 1840 this contention, which even before that time was only half true, has lost all its specious color. For the machines which are employed in the manufacture of machinery have been quite as numerous as those used in the manufacture of cotton; and the laborers who are employed in producing machines in the face of the extremely artful machinery used in this industry, have at best been able to play the part of highly artless machines.

But in the place of the man who has been discharged by the machine perhaps three children and one woman are employed to work it. And was it not necessary before that the man's wages should suffice for the support of his wife and children? Was not the minimum of wages necessarily suffi-

cient for the maintenance and propagation of the race of laborers? What else does then the pet bourgeois argument prove, but that now the lives of four times as many laborers as before are used up in order to secure the support of one laborer's family?

To sum up: *the faster productive capital increases, the more does the division of labor and the employment of machinery extend. The more the division of labor and the employment of machinery extend, so much the more does competition increase among the laborers, and so much the more do their average wages dwindle.*

And, besides, the laboring class is recruited from the higher strata of society, as there falls headlong into it a crowd of small manufacturers and small proprietors, who thenceforth have nothing better to do than to stretch out their arms by the side of those of the laborers. And thus the forest of arms outstretched by those who are entreating for work becomes ever denser and the arms themselves grow ever leaner.

That the small manufacturer cannot survive in a contest whose first condition is production on a continually increasing scale—that is, for which the first prerequisite is to be a large and not a small manufacturer—is self-evident.

That the interest on capital declines in the same proportion as the amount of capital increases and extends, and that therefore the small capitalist can no longer live on his interest, but must join the ranks of the workers and increase the number of the proletariat—all this requires no further exemplification.

Finally, in the proportion in which the capitalists are compelled by the causes here sketched to exploit on an ever increasing scale yet more gigantic means of production, and with that object to set in motion all the mainsprings of credit, in the same proportion is there an increase of those earthquakes during which the business world can only secure its own existence by the sacrifice of a portion of its wealth, its products, and even its power of production to the gods of Hades—in a word, in the same proportion do crises increase. They become at once more frequent and more violent; because in the

same proportion in which the amount of production, and therefore the demand for the extension of the market, increases, the market of the world continually contracts, and ever fewer markets remain to be exploited; since every previous crisis has added to the commerce of the world a market which was not known before, or had before been only superficially exploited by commerce. But capital not only lives upon labor. Like a lord, at once distinguished and barbarous, it drags with it to the grave the corpses of its slaves and whole hecatombs of laborers who perish during crises. Thus we see that *if capital increases fast, competition among the laborers increases still faster, that is, the means of employment and subsistence decline in proportion at a still more rapid rate; and yet, none the less the most favorable condition for wage labor lies in the speedy increase of capital.*

VALUE, PRICE, AND PROFIT

BY KARL MARX

PRELIMINARY

CITIZENS: Before entering into the subject-matter, allow me to make a few preliminary remarks.

There reigns now on the Continent a real epidemic of strikes, and a general clamor for a rise of wages. The question will turn up at our Congress.[1] You, as the head of the International Association, ought to have settled convictions upon this paramount question. For my own part, I considered it therefore my duty to enter fully into the matter, even at the peril of putting your patience to a severe test.

Another preliminary remark I have to make in regard to Citizen Weston.[2] He has not only proposed to you, but has publicly defended, in the interest of the working class, as he thinks, opinions he knows to be most unpopular with the working class. Such an exhibition of moral courage all of us must highly honor. I hope that, despite the unvarnished style of my paper, at its conclusion he will find me agreeing with what appears to me the just idea lying at the bottom of his theses, which, however, in their present form, I cannot but consider theoretically false and practically dangerous.

I shall now at once proceed to the business before us.

I

PRODUCTION AND WAGES

Citizen Weston's argument rested, in fact, upon two premises: Firstly, that *the amount of national production is a*

fixed thing, a constant quantity or magnitude, as the mathematicians would say; secondly, that *the amount of real wages*, that is to say, of wages as measured by the quantity of the commodities they can buy, *is a fixed amount*, a constant magnitude.

Now, his first assertion is evidently erroneous. Year after year you will find that the value and mass of production increase, that the productive powers of the national labor increase, and that the amount of money necessary to circulate this increasing production continuously changes. What is true at the end of the year, and for different years compared with each other, is true for every average day of the year. The amount or magnitude of national production changes continuously. It is not a constant but a variable magnitude, and apart from changes in population it must be so, because of the continuous change in the accumulation of capital and the productive powers of labor. It is perfectly true that if a rise in the general rate of wages should take place to-day, that rise, whatever its ulterior effects might be, would, by itself, not immediately change the amount of production. It would, in the first instance, proceed from the existing state of things. But if before the rise of wages the national production was variable, and not fixed, it will continue to be variable and not fixed after the rise of wages.

But suppose the amount of national production to be constant instead of variable. Even then, what our friend Weston considers a logical conclusion would still remain a gratuitous assertion. If I have a given number, say eight, the absolute limits of this number do not prevent its parts from changing their relative limits. If profits were six and wages two, wages might increase to six and profits decrease to two, and still the total amount remain eight. Thus the fixed amount of production would by no means prove the fixed amount of wages. How then does our friend Weston prove this fixity? By asserting it.

But even conceding him his assertion, it would cut both ways, while he presses it only in one direction. If the amount

of wages is a constant magnitude, then it can be neither increased nor diminished. If then, in enforcing a temporary rise of wages, the working men act foolishly, the capitalists, in enforcing a temporary fall of wages, would act not less foolishly. Our friend Weston does not deny that, under certain circumstances, the working men can enforce a rise of wages, but their amount being naturally fixed, there must follow a reaction. On the other hand, he knows also that the capitalists can enforce a fall of wages, and, indeed, continuously try to enforce it. According to the principle of the constancy of wages, a reaction ought to follow in this case not less than in the former. The working men, therefore, reacting against the attempt at, or the act of, lowering wages, would act rightly. They would therefore act rightly in enforcing a rise of wages, because every reaction against the lowering of wages is an action for raising wages. According to Citizen Weston's own principle of the constancy of wages, the working men ought, therefore, under certain circumstances, to combine and struggle for a rise of wages.

If he denies this conclusion, he must give up the premise from which it flows. He must not say that the amount of wages is a constant quantity, but that, although it cannot and must not rise, it can and must fall, whenever capital pleases to lower it. If the capitalist pleases to feed you upon potatoes instead of upon meat, and upon oats instead of upon wheat, you must accept his will as a law of political economy, and submit to it; if in one country the rate of wages is higher than in another, in the United States, for example, than in England, you must explain this difference in the rate of wages by difference between the will of the American capitalist and the will of the English capitalist—a method which would certainly very much simplify, not only the study of economic phenomena, but of all other phenomena.

But even then, we might ask why the will of the American capitalist differs from the will of the English capitalist? And to answer the question you must go beyond the domain of will. A person may tell me that God wills one thing in

France, and another thing in England. If I summon him to explain this duality of will, he might have the brass to answer me that God wills to have one will in France and another will in England. But our friend Weston is certainly the last man to make an argument of such a complete negation of all reasoning.

The will of the capitalist is certainly to take as much as possible. What we have to do is not to talk about his will, but to enquire into his power, the limits of that power, and the character of those limits.

II

PRODUCTION, WAGES, PROFITS

The address Citizen Weston read to us might have been compressed into a nutshell.

All his reasoning amounted to this: If the working class forces the capitalist class to pay five shillings instead of four shillings in the shape of money wages, the capitalist will return in the shape of commodities four shillings' worth instead of five shillings' worth. The working class would have to pay five shillings for what, before the rise of wages, they bought with four shillings. But why is this the case? Why does the capitalist only return four shillings' worth for five shillings? Because the amount of wages is fixed. But why is it fixed at four shillings' worth of commodities? Why not at three, or two, or any other sum? If the limit of the amount of wages is settled by an economic law, independent alike of the will of the capitalist and the will of the working man, the first thing Citizen Weston had to do was to state that law and prove it. He ought then, moreover, to have proved that the amount of wages actually paid at every given moment always corresponds exactly to the necessary amount of wages, and never deviates from it. If, on the other hand, the given limit of the amount of wages is founded on the mere will of the capitalist, or the limits of his avarice, it is

an arbitrary limit. There is nothing necessary in it. It may be changed by the will of the capitalist, and may, therefore, be changed against his will.

Citizen Weston illustrated his theory by telling you that when a bowl contains a certain quantity of soup, to be eaten by a certain number of persons, an increase in the broadness of the spoons would not produce an increase in the amount of soup. He must allow me to find this illustration rather spoony. It reminded me somewhat of the simile employed by Menenius Agrippa. When the Roman plebeians struck against the Roman patricians, the patrician Agrippa told them that the patrician belly fed the plebeian members of the body politic. Agrippa failed to show that you feed the members of one man by filling the belly of another. Citizen Weston, on his part, has forgotten that the bowl from which the workmen eat is filled with the whole produce of the national labor, and that what prevents them fetching more out of it is neither the narrowness of the bowl nor the scantiness of its contents, but only the smallness of their spoons.

By what contrivance is the capitalist enabled to return four shillings' worth for five shillings? By raising the price of the commodity he sells. Now, does a rise and more generally a change in the prices of commodities, do the prices of commodities themselves, depend on the mere will of the capitalist? Or are, on the contrary, certain circumstances wanted to give effect to that will? If not, the ups and downs, the incessant fluctuations of market prices, become an unanswerable riddle.

As we suppose that no change whatever has taken place either in the productive powers of labor, or in the amount of capital and labor employed, or in the value of the money wherein the values of products are estimated, but only a change in the rate of wages, how could that rise of wages affect the prices of commodities? Only by affecting the actual proportion between the demand for, and the supply of, these commodities.

It is perfectly true that, considered as a whole, the working class spends, and must spend, its income upon necessaries.

A general rise in the rate of wages would, therefore, produce a rise in the demand for, and consequently in the market prices of, necessaries. The capitalists who produce these necessaries would be compensated for the risen wages by the rising market prices of their commodities. But how with the other capitalists who do not produce necessaries? And you must not fancy them a small body. If you consider that two-thirds of the national produce are consumed by one-fifth of the population—a member of the House of Commons stated it recently to be but one-seventh of the population—you will understand what an immense proportion of the national produce must be produced in the shape of luxuries, or be exchanged for luxuries, and what an immense amount of the necessaries themselves must be wasted upon flunkeys, horses, cats, and so forth, a waste we know from experience to become always much limited with the rising prices of necessaries.

Well, what would be the position of those capitalists who do not produce necessaries? For the fall in the rate of profit, consequent upon the general rise of wages, they could not compensate themselves by a rise in the price of their commodities, because the demand for those commodities would not have increased. Their income would have decreased, and from this decreased income they would have to pay more for the same amount of higher-priced necessaries. But this would not be all. As their income had diminished they would have less to spend upon luxuries, and therefore their mutual demand for their respective commodities would diminish. Consequent upon this diminished demand the prices of their commodities would fall. In these branches of industry, therefore, the rate of profit would fall, not only in simple proportion to the general rise in the rate of wages, but in the compound ratio of the general rise of wages, the rise in the prices of necessaries, and the fall in the prices of luxuries.

What would be the consequence of this difference in the rates of profit for capitals employed in the different branches of industry? Why, the consequence that generally obtains

whenever, from whatever reason, the average rate of profit comes to differ in the different spheres of production. Capital and labor would be transferred from the less remunerative to the more remunerative branches; and this process of transfer would go on until the supply in the one department of industry would have risen proportionately to the increased demand, and would have sunk in the other departments according to the decreased demand. This change effected, the general rate of profit would again be equalized in the different branches. As the whole derangement originally arose from a mere change in the proportion of the demand for, and supply of, different commodities, the cause ceasing, the effect would cease, and prices would return to their former level and equilibrium. Instead of being limited to some branches of industry, the fall in the rate of profit consequent upon the rise of wages would have become general. According to our supposition, there would have taken place no change in the productive powers of labor, nor in the aggregate amount of production, but that given amount of production would have changed its form. A greater part of the produce would exist in the shape of necessaries, a lesser part in the shape of luxuries, or what comes to the same, a lesser part would be exchanged for foreign luxuries, and be consumed in its original form, or, what again comes to the same, a greater part of the native produce would be exchanged for foreign necessaries instead of for luxuries. *The general rise in the rate of wages would, therefore, after a temporary disturbance of market prices, only result in a general fall of the rate of profit without any permanent change in the prices of commodities.*

If I am told that in the previous argument I assume the whole surplus wages to be spent upon necessaries, I answer that I have made the supposition most advantageous to the opinion of Citizen Weston. If the surplus wages were spent upon articles formerly not entering into the consumption of the working men, the real increase of their purchasing power would need no proof. Being, however, only derived from an

advance of wages, that increase of their purchasing power must exactly correspond to the decrease of the purchasing power of the capitalists. The aggregate demand for commodities would, therefore, not increase, but the constituent parts of that demand would change. The increasing demand on the one side would be counterbalanced by the decreasing demand on the other side. Thus the aggregate demand remaining stationary, no change whatever could take place in the market prices of commodities.

You arrive, therefore, at this dilemma: Either the surplus wages are equally spent upon all articles of consumption—then the expansion of demand on the part of the working class must be compensated by the contraction of demand on the part of the capitalist class; or the surplus wages are only spent upon some articles whose market prices will temporarily rise—then the consequent rise in the rate of profit in some, and the consequent fall in the rate of profit in other branches of industry will produce a change in the distribution of capital and labor, going on until the supply is brought up to the increased demand in the one department of industry, and brought down to the diminished demand in the other departments of industry. On the one supposition there will occur no change in the prices of commodities. On the other supposition, after some fluctuations of market prices, the exchangeable values of commodities will subside to the former level. On both suppositions the general rise in the rate of wages will ultimately result in nothing else but a general fall in the rate of profit.

To stir up your powers of imagination Citizen Weston requested you to think of the difficulties which a general rise of English agricultural wages from nine shilling to eighteen shillings would produce. Think, he exclaimed, of the immense rise in the demand for necessaries, and the consequent fearful rise in their prices! Now, all of you know that the average wages of the American agricultural laborer amount to more than double that of the English agricultural laborer, although the prices of agricultural produce are lower in the

United States than in the United Kingdom, although the general relations of capital and labor obtain in the United States the same as in England, and although the annual amount of production is much smaller in the United States than in England. Why, then, does our friend ring this alarum bell? Simply to shift the real question before us. A sudden rise of wages from nine shillings to eighteen shillings would be a sudden rise to the amount of 100 per cent. Now, we are not at all discussing the question whether the general rate of wages in England could be suddenly increased by 100 per cent. We have nothing at all to do with the magnitude of the rise, which in every practical instance must depend on, and be suited to, given circumstances. We have only to inquire how a general rise in the rate of wages, even if restricted to one per cent., will act.

Dismissing friend Weston's fancy rise of 100 per cent., I propose calling your attention to the real rise of wages that took place in Great Britain from 1849 to 1859.

You are all aware of the Ten-Hours Bill,[3] or rather Ten-and-a-half Hours Bill, introduced since 1848. This was one of the greatest economic changes we have witnessed. It was a sudden and compulsory rise of wages, not in some local trades, but in the leading industrial branches by which England sways the markets of the world. It was a rise of wages under circumstances singularly unpropitious. Dr. Ure, Professor Senior, and all the other official economical mouthpieces of the middle class, proved, and I must say upon much stronger grounds than those of our friend Weston, that it would sound the death-knell of English industry. They proved that it not only amounted to a simple rise of wages, but to a rise of wages initiated by, and based upon, a diminution of the quantity of labor employed. They asserted that the twelfth hour you wanted to take from the capitalist was exactly the only hour from which he derived his profit. They threatened a decrease of accumulation, rise of prices, loss of markets, stinting of production, consequent reaction upon wages, ultimate ruin. In fact, they declared Maximilien Robespierre's

Maximum Laws [4] to be a small affair compared to it; and they were right in a certain sense. Well, what was the result? A rise in the money wages of the factory operatives, despite the curtailing of the working day, a great increase in the number of factory hands employed, a continuous fall in the prices of their products, a marvelous development in the productive powers of their labor, an unheard-of progressive expansion of the markets for their commodities. In Manchester, at the meeting, in 1860, of the Society for the Advancement of Science, I myself heard Mr. Newman confess that he, Dr. Ure, Senior, and all other official propounders of economic science had been wrong, while the instinct of the people had been right. I mention Mr. W. Newman, not Professor Francis Newman, because he occupies an eminent position in economic science, as the contributor to, and editor of, Mr. Thomas Tooke's *History of Prices*, that magnificent work which traces the history of prices from 1793 to 1856. If our friend Weston's fixed idea of a fixed amount of wages, a fixed amount of production, a fixed degree of the productive power of labor, a fixed and permanent will of the capitalists, and all his other fixedness and finality were correct, Professor Senior's woeful forebodings would have been right, and Robert Owen, who already in 1816 proclaimed a general limitation of the working day the first preparatory step to the emancipation of the working class, and actually in the teeth of the general prejudice inaugurated it on his own hook in his cotton factory at New Lanark, would have been wrong.

In the very same period during which the introduction of the Ten Hours Bill, and the rise of wages consequent upon it, occurred, there took place in Great Britain, for reasons which it would be out of place to enumerate here, a general rise in agricultural wages.

Although it is not required for my immediate purpose, in order not to mislead you, I shall make some preliminary remarks.

If a man got two shillings weekly wages, and if his wages

rose to four shillings, the rate of wages would have risen by 100 per cent. This would seem a very magnificent thing if expressed as a rise in the rate of wages, although the actual amount of wages, four shillings weekly, would still remain a wretchedly small, a starvation pittance. You must not, therefore, allow yourselves to be carried away by the high-sounding per cents. in the rate of wages. You must always ask, What was the original amount?

Moreover, you will understand, that if there were ten men receiving each 2s. per week, five men receiving each 5s., and five men receiving 11s. weekly, the twenty men together would receive 100s., or £5. weekly. If then a rise, say 20 per cent., upon the aggregate sum of their weekly wages took place, there would be an advance from £5 to £6. Taking the average, we might say that the general rate of wages had risen by 20 per cent., although, in fact, the wages of the ten men had remained stationary, the wages of the one lot of five men had risen from 5s. to 6s. only, and the wages of the other lot of five men from 55s. to 70s. One half of the men would not have improved at all their position, one quarter would have improved it in an imperceptible degree, and only one quarter would have bettered it really. Still, reckoning by the average, the total amount of the wages of those twenty men would have increased by 20 per cent., and as far as the aggregate capital that employs them, and the prices of the commodities they produce, are concerned, it would be exactly the same as if all of them had equally shared in the average rise of wages. In the case of agricultural labor, the standard wages being very different in the different counties of England and Scotland, the rise affected them very unequally.

Lastly, during the period when that rise of wages took place, counteracting influences were at work, such as the new taxes consequent upon the Russian war, the extensive demolition of the dwelling-houses of the agricultural laborers, and so forth.

Having premised so much, I proceed to state that from

1849 to 1859 there took place a rise of about 40 per cent. in the average rate of the agricultural wages of Great Britain. I could give you ample details in proof of my assertion, but for the present purpose think it sufficient to refer you to the conscientious and critical paper read in 1860 by the late Mr. John C. Morton at the London Society of Arts on "The Forces Used in Agriculture." Mr. Morton gives the returns, from bills and other authentic documents, which he had collected from about one hundred farmers, residing in twelve Scotch and thirty-five English counties.

According to our friend Weston's opinion, and taken together with the simultaneous rise in the wages of the factory operatives, there ought to have occurred a tremendous rise in the prices of agricultural produce during the period of 1849 to 1859. But what is the fact? Despite the Russian war, and the consecutive unfavorable harvests from 1854 to 1856, the average price of wheat, which is the leading agricultural produce of England, fell from about £3 per quarter for the years 1838 to 1848 to about £2 10 *s.* per quarter for the years 1849 to 1859. This constitutes a fall in the price of wheat of more than 16 per cent. simultaneously with an average rise of agricultural wages of 40 per cent. During the same period, if we compare its end with its beginning, 1859 with 1849, there was a decrease of official pauperism from 934,419 to 860,470, the difference being 73,949; a very small decrease, I grant, and which in the following years was again lost, but still a decrease.

It might be said that, consequent upon the abolition of the Corn Laws,[5] the import of foreign corn was more than doubled during the period from 1849 to 1859, as compared with the period from 1838 to 1848. And what of that? From Citizen Weston's standpoint one would have expected that this sudden, immense, and continuously increasing demand upon foreign markets must have sent up the prices of agricultural produce there to a frightful height, the effect of increased demand remaining the same, whether it comes

from without or from within. What was the fact? Apart from some years of failing harvests, during all that period the ruinous fall in the price of corn formed a standing theme of declamation in France; the Americans were again and again compelled to burn their surplus of produce; and Russia, if we are to believe Mr. Urquhart, prompted the Civil War in the United States because her agricultural exports were crippled by the Yankee competition in the markets of Europe.

Reduced to its abstract form, Citizen Weston's argument would come to this: Every rise in demand occurs always on the basis of a given amount of production. It can, therefore, never increase the supply of the articles demanded, but can only enhance their money prices. Now the most common observation shows that an increased demand will, in some instances, leave the market prices of commodities altogether unchanged, and will, in other instances, cause a temporary rise of market prices followed by an increased supply, followed by a reduction of the prices to their original level, and in many cases below their original level. Whether the rise of demand springs from increased wages, or from any other cause, does not at all change the conditions of the problem. From Citizen Weston's standpoint the general phenomenon was as difficult to explain as the phenomenon occurring under the exceptional circumstances of a rise of wages. His argument had, therefore, no peculiar bearing whatever upon the subject we treat. It only expressed his perplexity at accounting for the laws by which an increase of demand produces an increase of supply, instead of an ultimate rise of market prices.

III

WAGES AND CURRENCY

On the second day of the debate our friend Weston clothed his old assertions in new forms. He said: Consequent upon a general rise in money wages, more currency will be wanted

to pay the same wages. The currency being fixed, how can you pay with this fixed currency increased money wages? First the difficulty arose from the fixed amount of commodities accruing to the working man despite his increase of money wages; now it arises from the increased money wages, despite the fixed amount of commodities. Of course, if you reject his original dogma, his secondary grievance will disappear.

However, I shall show that this currency question has nothing at all to do with the subject before us.

In your country the mechanism of payments is much more perfected than in any other country of Europe. Thanks to the extent and concentration of the banking system, much less currency is wanted to circulate the same amount of values, and to transact the same or a greater amount of business. For example, as far as wages are concerned, the English factory operative pays his wages weekly to the shopkeeper, who sends them weekly to the banker, who returns them weekly to the manufacturer, who again pays them away to his working men, and so forth. By this contrivance the yearly wages of an operative, say of £52, may be paid by one single sovereign turning round every week in the same circle. Even in England the mechanism is less perfect than in Scotland, and is not everywhere equally perfect; and therefore we find, for example, that in some agricultural districts, as compared with the mere factory districts, much more currency is wanted to circulate a much smaller amount of values.

If you cross the Channel you will find that the money wages are much lower than in England, but that they are circulated in Germany, Italy, Switzerland, and France by a much larger amount of currency. The same sovereign will not be so quickly intercepted by the banker or returned to the industrial capitalist; and, therefore, instead of one sovereign circulating £52 yearly, you want, perhaps, three sovereigns to circulate yearly wages to the amount of £25. Thus, by comparing continental countries with England, you will see at once that

low money wages may require a much larger currency for their circulation than high money wages, and that this is, in fact, a merely technical point, quite foreign to our subject.

According to the best calculations I know, the yearly income of the working class of this country may be estimated at £250,000,000. This immense sum is circulated by about three million pounds. Suppose a rise of wages of fifty per cent. to take place. Then, instead of three millions of currency, four and a half millions would be wanted. As a very considerable part of the workingman's daily expenses is laid out in silver and copper, that is to say, in mere tokens, whose relative value to gold is arbitrarily fixed by law, like that of inconvertible money paper, a rise of money wages by fifty per cent. would, in the extreme case, require an additional circulation of sovereigns, say to the amount of one million. One million, now dormant, in the shape of bullion or coin, in the cellars of the Bank of England, or of private bankers, would circulate. But even the trifling expense resulting from the additional minting or the additional wear and tear of that million might be spared, and would actually be spared, if any friction should arise from the want of the additional currency. All of you know that the currency of this country is divided into two great departments. One sort, supplied by bank-notes of different descriptions, is used in the transactions between dealers and dealers, and the larger payments from consumers to dealers, while another sort of currency, metallic coin, circulates in the retail trade. Although distinct, these two sorts of currency interwork with each other. Thus gold coin, to a very great extent, circulates even in larger payments for all the odd sums under £5. If tomorrow £4 notes, or £3 notes, or 2£ notes were issued, the gold filling these channels of circulation would at once be driven out of them, and flow into those channels where they would be needed from the increase of money wages. Thus the additional million required by an advance of wages by fifty per cent. would be supplied without the addition of one single sovereign. The same effect might

be produced, without one additional bank-note, by an additional bill circulation, as was the case in Lancashire for a very considerable time.

If a general rise in the rate of wages, for example, of 100 per cent., as Citizen Weston supposed it to take place in agricultural wages, would produce a great rise in the prices of necessaries, and, according to his views, require an additional amount of currency not to be procured, a general fall in wages must produce the same effect, on the same scale, in an opposite direction. Well! All of you know that the years 1858 to 1860 were the most prosperous years for the cotton industry, and that peculiarly the year 1860 stands in that respect unrivaled in the annals of commerce, while at the same time all other branches of industry were most flourishing. The wages of the cotton operatives and of all the other working men connected with their trade stood, in 1860, higher than ever before. The American crisis [6] came, and those aggregate wages were suddenly reduced to about one-fourth of their former amount. This would have been in the opposite direction a rise of 400 per cent. If wages rise from five to twenty, we say that they rise by 300 per cent.; if they fall from twenty to five, we say that they fall by seventy-five per cent.; but the amount of rise in the one and the amount of fall in the other case would be the same, namely, fifteen shillings. This, then, was a sudden change in the rate of wages unprecedented, and at the same time extending over a number of operatives which, if we count all the operatives not only directly engaged in but indirectly dependent upon the cotton trade, was larger by one-half than the number of agricultural laborers. Did the price of wheat fall? It rose from the annual average of 47 *s.* 8*d.* per quarter during the three years of 1858-1860 to the annual average of 55*s.* 10*d.* per quarter during the three years 1861-1863. As to the currency, there were coined in the mint in 1861 £8,673,232, against £3,378,792 in 1860. That is to say, there were coined £5,294,440 more in 1861 than in 1860. It is true the bank-note circulation was in 1861 less by

£1,319,000 than in 1860. Take this off. There remains still an overplus of currency for the year 1861, as compared with the prosperity year, 1860, to the amount of £3,975,440, or about £4,000,000; but the bullion reserve in the Bank of England had simultaneously decreased, not quite to the same, but in an approximating proportion.

Compare the year 1862 with 1842. Apart from the immense increase in the value and amount of commodities circulated, in 1862 the capital paid in regular transactions for shares, loans, etc., for the railways in England and Wales amounted alone to £320,000,000, a sum that would have appeared fabulous in 1842. Still, the aggregate amounts in currency in 1862 and 1842 were pretty nearly equal, and generally you will find a tendency to a progressive diminution of currency in the face of an enormously increasing value, not only of commodities, but of monetary transactions generally. From our friend Weston's standpoint this is an unsolvable riddle.

Looking somewhat deeper into this matter, he would have found that, quite apart from wages, and supposing them to be fixed, the value and mass of the commodities to be circulated, and generally the amount of monetary transactions to be settled, vary daily; that the amount of bank-notes issued varies daily; that the amount of payments realized without the intervention of any money, by the instrumentality of bills, checks, book-credits, clearing houses, varies daily; that, as far as actual metallic currency is required, the proportion between the coin in circulation and the coin and bullion in reserve or sleeping in the cellars of banks varies daily; that the amount of bullion absorbed by the national circulation and the amount being sent abroad for international circulation vary daily. He would have found that this dogma of a fixed currency is a monstrous error, incompatible with our everyday movement. He would have inquired into the laws which enable a currency to adapt itself to circumstances so continually changing, instead of turning his misconception of the laws of currency into an argument against a rise of wages.

IV

SUPPLY AND DEMAND

Our friend Weston accepts the Latin proverb that "repetitio est mater studiorum"—that is to say, that repetition is the mother of study—and consequently he repeated his original dogma again under the new form, that the contraction of currency, resulting from an enhancement of wages, would produce a diminution of capital, and so forth. Having already dealt with his currency crotchet, I consider it quite useless to enter upon the imaginary consequences he fancies to flow from his imaginary currency mishap. I shall proceed to at once reduce his one and the same dogma, repeated in so many different shapes, to its simplest theoretical form.

The uncritical way in which he has treated his subject will become evident from one single remark. He pleads against a rise of wages or against high wages as the result of such a rise. Now, I ask him, What are high wages and what are low wages? Why consider, for example, five shillings weekly low, and twenty shillings weekly high wages? If five is low as compared with twenty, twenty is still lower as compared with two hundred. If a man was to lecture on the thermometer, and commenced by declaiming on high and low degrees, he would impart no knowledge whatever. He must first tell me how the freezing-point is found out, and how the boiling-point, and how these standard points are settled by natural laws, not by the fancy of the sellers or makers of thermometers. Now, in regard to wages and profits, Citizen Weston has not only failed to deduce such standard points from economical laws, but he has not even felt the necessity to look after them. He satisfied himself with the acceptance of the popular slang terms of low and high as something having a fixed meaning, although it is self-evident that wages can only be said to be high or low as compared with a standard by which to measure their magnitudes.

He will be unable to tell me why a certain amount of money is given for a certain amount of labor. If he should answer me, "This was settled by the law of supply and demand," I should ask him, in the first instance, by what law supply and demand are themselves regulated. And such an answer would at once put him out of court. The relations between the supply and demand of labor undergo perpetual change, and with them the market prices of labor. If the demand overshoots the supply wages rise; if the supply overshoots the demand wages sink, although it might in such circumstances be necessary to test the real state of demand and supply by a strike, for example, or any other method. But if you accept supply and demand as the law regulating wages, it would be as childish as useless to declaim against a rise of wages, because, according to the supreme law you appeal to, a periodical rise of wages is quite as necessary and legitimate as a periodical fall of wages. If you do not accept supply and demand as the law regulating wages, I again repeat the question, why a certain amount of money is given for a certain amount of labor?

But to consider matters more broadly: You would be altogether mistaken in fancying that the value of labor or any other commodity whatever is ultimately fixed by supply and demand. Supply and demand regulate nothing but the temporary fluctuations of market prices. They will explain to you why the market price of a commodity rises above or sinks below its value, but they can never account for that value itself. Suppose supply and demand to equilibrate, or, as the economists call it, to cover each other. Why, the very moment these opposite forces become equal they paralyze each other, and cease to work in the one or the other direction. At the moment when supply and demand equilibrate each other, and therefore cease to act, the market price of a commodity coincides with its real value, with the standard price round which its market prices oscillate. In inquiring into the nature of that value, we have therefore nothing at all to do with the temporary effects on market prices of supply and

demand. The same holds true of wages and of the prices of all other commodities.

V

WAGES AND PRICES

Reduced to their simplest theoretical expression, all our friend's arguments resolve themselves into this one single dogma: "The prices of commodities are determined or regulated by wages."

I might appeal to practical observation to bear witness against this antiquated and exploded fallacy. I might tell you that the English factory operatives, miners, shipbuilders, and so forth, whose labor is relatively high-priced, undersell by the cheapness of their produce all other nations; while the English agricultural laborer, for example, whose labor is relatively low-priced, is undersold by almost every other nation because of the dearness of his produce. By comparing article with article in the same country, and the commodities of different countries, I might show, apart from some exceptions more apparent than real, that on an average the high-priced labor produces the low-priced, and the low-priced labor produces the high-priced commodities. This, of course, would not prove that the high price of labor in the one, and its low price in the other instance, are the respective causes of those diametrically opposed effects, but at all events it would prove that the prices of commodities are not ruled by the prices of labor. However, it is quite superfluous for us to employ this empirical method.

It might, perhaps, be denied that Citizen Weston has put forward the dogma: The prices of commodities are determined or regulated by wages. In point of fact, he has never formulated it. He said, on the contrary, that profit and rent form also constituent parts of the prices of commodities, because it is out of the prices of commodities that not only the working man's wages, but also the capitalist's profits and

the landlord's rents must be paid. But how in his idea are prices formed? First by wages. Then an additional percentage is joined to the price on behalf of the capitalist, and another additional percentage on behalf of the landlord. Suppose the wages of the labor employed in the production of a commodity to be ten. If the rate of profit was 100 per cent., to the wages advanced the capitalist would add ten, and if the rate of rent was also 100 per cent. upon the wages, there would be added ten more, and the aggregate price of the commodity would amount to thirty. But such a determination of prices would be simply their determination by wages. If wages in the above case rose to twenty, the price of the commodity would rise to sixty, and so forth. Consequently all the superannuated writers on political economy who propounded the dogma that wages regulate prices, have tried to prove it by treating profit and rent as mere additional percentages upon wages. None of them were, of course, able to reduce the limits of those percentages to any economic law. They seem, on the contrary, to think profits settled by tradition, custom, the will of the capitalist, or by some other equally arbitrary and inexplicable method. If they assert that they are settled by the competition between the capitalists, they say nothing. That competition is sure to equalize the different rates of profit in different trades, or reduce them to one average level, but it can never determine the level itself, or the general rate of profit.

What do we mean by saying that the prices of the commodities are determined by wages? Wages being but a name for the price of labor, we mean that the prices of commodities are regulated by the price of labor. As "price" is exchangeable value—and in speaking of value I speak always of exchangeable value—is exchangeable value expressed in money, the proposition comes to this, that "the value of commodities is determined by the value of labor," or that "the value of labor is the general measure of value."

But how, then, is the "value of labor" itself determined? Here we come to a standstill. Of course, to a standstill if

we try reasoning logically. Yet the propounders of that doctrine make short work of logical scruples. Take our friend Weston, for example. First he told us that wages regulate the price of commodities, and that consequently when wages rise prices must rise. Then he turned round to show us that a rise of wages will be no good because the prices of commodities had risen, and because wages were indeed measured by the prices of the commodities upon which they are spent. Thus we begin by saying that the value of labor determines the value of commodities, and we wind up by saying that the value of commodities determines the value of labor. Thus we move to and fro in the most vicious circle, and arrive at no conclusion at all.

On the whole it is evident that by making the value of one commodity, say labor, corn, or any other commodity, the general measure and regulator of value, we only shift the difficulty, since we determine one value by another, which on its side wants to be determined.

The dogma that "wages determine the price of commodities," expressed in its most abstract terms, comes to this, that "value is determined by value," and this tautology means that, in fact, we know nothing at all about value. Accepting this premise, all reasoning about the general laws of political economy turns into mere twaddle. It was, therefore, the great merit of Ricardo that in his work on *The Principles of Political Economy*, published in 1817, he fundamentally destroyed the old, popular, and worn-out fallacy that "wages determine prices," a fallacy which Adam Smith and his French predecessors had spurned in the really scientific parts of their researches, but which they reproduced in their more exoterical and vulgarizing chapters.

VI

VALUE AND LABOR

Citizens, I have now arrived at a point where I must enter upon the real development of the question. I cannot promise

to do this in a very satisfactory way, because to do so I should be obliged to go over the whole field of political economy. I can, as the French would say, but "effleurer la question," touch upon the main points.

The first question we have to put is: What is the value of a commodity? How is it determined?

At first sight it would seem that the value of a commodity is a thing quite relative, and not to be settled without considering one commodity in its relations to all other commodities. In fact, in speaking of the value, the value in exchange of a commodity, we mean the proportional quantities in which it exchanges with all other commodities. But then arises the question: How are the proportions in which commodities exchange with each other regulated?

We know from experience that these proportions vary infinitely. Taking one single commodity, wheat, for instance, we shall find that a quarter of wheat exchanges in almost countless variations of proportion with different commodities. Yet, its value remaining always the same, whether expressed in silk, gold, or any other commodity, it must be something distinct from, and independent of these different rates of exchange with different articles. It must be possible to express, in a very different form, these various equations with various commodities.

Besides, if I say a quarter of wheat exchanges with iron in a certain proportion, or the value of a quarter of wheat is expressed in a certain amount of iron, I say that the value of wheat and its equivalent in iron are equal to some third thing, which is neither wheat nor iron, because I suppose them to express the same magnitude in two different shapes. Either of them, the wheat or the iron, must, therefore, independently of the other, be reducible to this third thing which is their common measure.

To elucidate this point I shall recur to a very simple geometrical illustration. In comparing the areas of triangles of all possible forms and magnitudes, or comparing triangles with rectangles, or any other rectilinear figure, how do we

proceed? We reduce the area of any triangle whatever to an expression quite different from its visible form. Having found from the nature of the triangle that its area is equal to half the product of its base by its height, we can then compare the different values of all sorts of triangles, and of all rectilinear figures whatever, because all of them may be resolved into a certain number of triangles.

The same mode of procedure must obtain with the values of commodities. We must be able to reduce all of them to an expression common to all, distinguishing them only by the proportions in which they contain that identical measure.

As the exchangeable values of commodities are only social functions of those things, and have nothing at all to do with the natural qualities, we must first ask, What is the common social substance of all commodities? It is Labor. To produce a commodity a certain amount of labor must be bestowed upon it, or worked up in it. And I say not only Labor, but Social Labor. A man who produces an article for his own immediate use, to consume it himself, creates a product, but not a commodity. As a self-sustaining producer he has nothing to do with society. But to produce a commodity, a man must not only produce an article satisfying some social want, but his labor itself must form part and parcel of the total sum of labor expended by society. It must be subordinate to the Division of Labor within Society. It is nothing without the other divisions of labor, and on its part is required to integrate them.

If we consider commodities as values, we consider them exclusively under the single aspect of realized, fixed, or, if you like, crystallized social labor. In this respect they can differ only by representing greater or smaller quantities of labor, as, for example, a greater amount of labor may be worked up in a silken handkerchief than in a brick. But how does one measure quantities of labor? By the time the labor lasts, in measuring the labor by the hour, the day, etc. Of

course, to apply this measure, all sorts of labor are reduced to average or simple labor as their unit.

We arrive, therefore, at this conclusion. *A commodity has a value, because it is a crystallization of social labor. The greatness of its value, or its relative value, depends upon the greater or less amount of that social substance contained in it; that is to say, on the relative mass of labor necessary for its production.* The relative values of commodities are, therefore, determined by the respective quantities or amounts of labor, worked up, realized, fixed in them. The correlative quantities of commodities which can be produced in the same time of labor are equal. Or the value of one commodity is to the value of another commodity as the quantity of labor fixed in the one is to the quantity of labor fixed in the other.

I suspect that many of you will ask, Does then, indeed, there exist such a vast, or any difference whatever, between determining the values of commodities by wages, and determining them by the relative quantities of labor necessary for their production? You must, however, be aware that the reward for labor, and quantity of labor, are quite disparate things. Suppose, for example, equal quantities of labor to be fixed in one quarter of wheat and one ounce of gold. I resort to the example because it was used by Benjamin Franklin in his first Essay published in 1721, and entitled, *A Modest Enquiry into the Nature and Necessity of a Paper Currency,* where he, one of the first, hit upon the true nature of value. Well. We suppose, then, that one quarter of wheat and one ounce of gold are equal values or equivalents, because they are crystallizations of equal amounts of average labor, of so many days' or so many weeks' labor respectively fixed in them. In thus determining the relative values of gold and corn, do we refer in any way whatever to the wages of the agricultural laborer and the miner? Not a bit. We leave it quite indeterminate how their day's or their week's labor was paid or even whether wages labor was employed at all. If it was, wages may have been very unequal.

The laborer whose labor is realized in the quarter of wheat may receive two bushels only, and the laborer employed in mining may receive one-half of the ounce of gold. Or, supposing their wages to be equal, they may deviate in all possible proportions from the values of the commodities produced by them. They may amount to one-half, one-third, one-fourth, one-fifth, or any other proportional part of the one quarter of corn or the one ounce of gold. Their wages can, of course, not exceed, not be more than the values of the commodities they produced, but they can be less in every possible degree. Their wages will be limited by the values of the products, but the values of their products will not be limited by the wages. And above all, the values, the relative values of corn and gold, for example, will have been settled without any regard whatever to the value of the labor employed, that is to say, to wages. To determine the values of commodities by the relative quantities of labor fixed in them, is, therefore, a thing quite different from the tautological method of determining the values of commodities by the value of labor, or by wages. This point, however, will be further elucidated in the progress of our inquiry.

In calculating the exchangeable value of a commodity we must add to the quantity of labor last employed the quantity of labor previously worked up in the raw material of the commodity, and the labor bestowed on the implements, tools, machinery, and buildings, with which such labor is assisted. For example, the value of a certain amount of cotton-yarn is the crystallization of the quantity of labor added to the cotton during the spinning process, the quantity of labor previously realized in the cotton itself, the quantity of labor realized in the coal, oil, and other auxiliary substances used, the quantity of labor fixed in the steam-engine, the spindles, the factory building, and so forth. Instruments of production properly so-called, such as tools, machinery, buildings, serve again and again for a longer or shorter period during repeated processes of production. If they were used up at once, like the raw material, their whole value would at once be trans-

ferred to the commodities they assist in producing. But as a spindle, for example, is but gradually used up, an average calculation is made, based upon the average time it lasts, and its average waste or wear and tear during a certain period, say a day. In this way we calculate how much of the value of the spindle is transferred to the yarn daily spun, and how much, therefore, of the total amount of labor realized in a pound of yarn, for example, is due to the quantity of labor previously realized in the spindle. For our present purpose it is not necessary to dwell any longer upon this point.

It might seem that if the value of a commodity is determined by the quantity of labor bestowed upon its production, the lazier a man, or the clumsier a man, the more valuable his commodity, because the greater the time of labor required for finishing the commodity. This, however, would be a sad mistake. You will recollect that I used the word "social labor," and many points are involved in this qualification of "social." In saying that the value of a commodity is determined by the quantity of labor worked up or crystallized in it, *we mean the quantity of labor necessary for its production in a given state of society, under certain social average conditions of production, with a given social average intensity, and average skill of the labor employed.* When, in England, the power-loom came to compete with the hand-loom, only one-half the former time of labor was wanted to convert a given amount of yarn into a yard of cotton or cloth. The poor hand-loom weaver now worked seventeen or eighteen hours daily, instead of the nine or ten hours he had worked before. Still the product of twenty hours of his labor represented now only ten social hours of labor, or ten hours of labor socially necessary for the conversion of a certain amount of yarn into textile stuffs. His product of twenty hours had, therefore, no more value than his former product of ten hours.

If then the quantity of socially necessary labor realized in commodities regulates their exchangeable values, every increase in the quantity of labor wanted for the production of a com-

modity must augment its value, as every diminution must lower it.

If the respective quantities of labor necessary for the production of the respective commodities remaincd constant, their relative values also would be constant. But such is not the case. The quantity of labor necessary for the production of a commodity changes continuously with the changes in the productive powers of the labor employed. The greater the productive powers of labor, the more produce is finished in a given time of labor; and the smaller the productive powers of labor, the less produce is finished in the same time. If, for example, in the progress of population it should become necessary to cultivate less fertile soils, the same amount of produce would be only attainable by a greater amount of labor spent, and the value of agricultural produce would consequently rise. On the other hand, if with the modern means of production, a single spinner converts into yarn, during one working day, many thousand times the amount of cotton which he could have spun during the same time with the spinning wheel, it is evident that every single pound of cotton will absorb many thousand times less of spinning labor than it did before, and, consequently, the value added by spinning to every single pound of cotton will be a thousand times less than before. The value of yarn will sink accordingly.

Apart from the different natural energies and acquired working abilities of different peoples, the productive powers of labor must principally depend:—

Firstly. Upon the natural conditions of labor, such as fertility of soil, mines, and so forth.

Secondly. Upon the progressive improvement of the social powers of labor, such as are derived from production on a grand scale, concentration of capital and combination of labor, subdivision of labor, machinery, improved methods, appliance of chemical and other natural agencies, shortening of time and space by means of communication and transport, and every other contrivance by which science presses natural agencies into the service of labor, and by which the social or

co-operative character of labor is developed. The greater the productive powers of labor, the less labor is bestowed upon a given amount of produce; hence the smaller the value of the produce. The smaller the productive powers of labor, the more labor is bestowed upon the same amount of produce; hence the greater its value. As a general law we may, therefore, set it down that:—

The values of commodities are directly as the times of labor employed in their production, and are inversely as the productive powers of the labor employed.

Having till now only spoken of Value, I shall add a few words about price, which is a peculiar form assumed by value.

Price, taken by itself, is nothing but the monetary expression of value. The values of all commodities of this country, for example, are expressed in gold prices, while on the Continent they are mainly expressed in silver prices. The value of gold or silver, like that of all other commodities, is regulated by the quantity of labor necessary for getting them. You exchange a certain amount of your national products, in which a certain amount of your national labor is crystallized, for the produce of the gold and silver producing countries, in which a certain quantity of their labor is crystallized. It is in this way, in fact by barter, that you learn to express in gold and silver the values of all commodities, that is the respective quantities of labor bestowed upon them. Looking somewhat closer into the monetary expression of value, or what comes to the same, the conversion of value into price, you will find that it is a process by which you give to the values of all commodities an independent and homogeneous form, or by which you express them as quantities of equal social labor. So far as it is but the monetary expression of value, price has been called *natural price* by Adam Smith, *prix nécessaire* by the French physiocrats.

What then is the relation between value and market prices, or between natural prices and market prices? You all know that the market price is the same for all commodities of the same kind, however the conditions of production may differ

for the individual producers. The market price expresses only the average amount of social labor necessary, under the average conditions of production, to supply the market with a certain mass of a certain article. It is calculated upon the whole lot of a commodity of a certain description.

So far the market price of a commodity coincides with its value. On the other hand, the oscillations of market prices, rising now over, sinking now under the value or natural price, depend upon the fluctuations of supply and demand. The deviations of market prices from values are continual, but as Adam Smith says: "The natural price is the central price to which the prices of commodities are continually gravitating. Different accidents may sometimes keep them suspended a good deal above it, and sometimes force them down even somewhat below it. But whatever may be the obstacles which hinder them from settling in this center of repose and continuance they are constantly tending towards it."

I cannot now sift this matter. It suffices to say that if supply and demand equilibrate each other, the market prices of commodities will correspond with their natural prices, that is to say with their values, as determined by the respective quantities of labor required for their production. But supply and demand must constantly tend to equilibrate each other, although they do so only by compensating one fluctuation by another, a rise by a fall, and vice versa. If instead of considering only the daily fluctuations you analyze the movement of market prices for longer periods, as Mr. Tooke, for example, has done in his *History of Prices*, you will find that the fluctuations of market prices, their deviations from values, their ups and downs, paralyze and compensate each other; so that apart from the effect of monopolies and some other modifications I must now pass by, all descriptions of commodities are, on the average, sold at their respective values or natural prices. The average periods during which the fluctuations of market prices compensate each other are different for different kinds of commodities, because with one kind it is easier to adapt supply to demand than with the other.

If then, speaking broadly, and embracing somewhat longer periods, all descriptions of commodities sell at their respective values, it is nonsense to suppose that profit, not in individual cases, but that the constant and usual profits of different trades spring from the prices of commodities, or selling them at a price over and above their value. The absurdity of this notion becomes evident if it is generalized. What a man would constantly win as a seller he would as constantly lose as a purchaser. It would not do to say that there are men who are buyers without being sellers, or consumers without being producers. What these people pay to the producers, they must first get from them for nothing. If a man first takes your money and afterwards returns that money in buying your commodities, you will never enrich yourselves by selling your commodities too dear to that same man. This sort of transaction might diminish a loss, but would never help in realizing a profit.

To explain, therefore, the general nature of profits, you must start from the theorem that, on an average, commodities are sold at their real values, and that profits are derived from selling them at their values—that is, in proportion to the quantity of labor realized in them. If you cannot explain profit upon this supposition, you cannot explain it at all. This seems paradox and contrary to every-day observation. It is also paradox that the earth moves round the sun, and that water consists of two highly inflammable gases. Scientific truth is always paradox, if judged by every-day experience, which catches only the delusive appearance of things.

VII

LABORING POWER

Having now, as far as it could be done in such a cursory manner, analyzed the nature of value, of the value of any commodity whatever, we must turn our attention to the specific Value of Labor. And here, again, I must startle you by a seeming paradox. All of you feel sure that what they

daily sell is their labor; that, therefore, labor has a price, and that, the price of a commodity being only the monetary expression of its value, there must certainly exist such a thing as the value of labor. However, there exists no such thing as the value of labor in the common acceptance of the word. We have seen that the amount of necessary labor crystallized in a commodity constitutes its value. Now, applying this notion of value, how could we define, say, the value of a ten hours working day? How much labor is contained in that day? Ten hours' labor. To say that the value of a ten hours working day is equal to ten hours' labor, or the quantity of labor contained in it, would be a tautological and, moreover, a nonsensical expression. Of course, having once found out the true but hidden sense of the expression "value of labor," we shall be able to interpret this irrational, and seemingly impossible application of value, in the same way that, having once made sure of the real movement of the celestial bodies, we shall be able to explain their apparent or merely phenomenal movements.

What the working man sells is *not directly his Labor, but his Laboring Power,* the temporary disposal of which he makes over to the capitalist. This is so much the case that I do not know whether by the English laws, but certainly by some Continental laws, the maximum time is fixed for which a man is allowed to sell his laboring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored. Such a sale, if it comprised his lifetime, for example, would make him at once the lifelong slave of his employer.

One of the oldest economists and most original philosophers of England—Thomas Hobbes—has already, in his *Leviathan,* instinctively hit upon this point overlooked by all his successors. He says: "The value or worth of a man is, as in all other things, his price: that is so much as would be given for the Use of his Power."

Proceeding from this basis, we shall be able to determine the value of labor as that of all other commodities.

But before doing so, we might ask, how does this strange phenomenon arise, that we find on the market a set of buyers, possessed of land, machinery, raw material, and the means of subsistence, all of them, save land in its crude state, the products of labor, and on the other hand, a set of sellers who have nothing to sell except their laboring power, their working arms and brains? That the one set buys continually in order to make a profit and enrich themselves, while the other set continually sells in order to earn their livelihood? The inquiry into this question would be an inquiry into what the economists call "Previous, or Original Accumulation," but which ought to be called "Original Expropriation." We should find that this so-called original accumulation means nothing but a series of historical processes, resulting in a decomposition of the original union existing between the laboring man and his instruments of labor. Such an inquiry, however, lies beyond the pale of my present subject.[7] The separation between the man of labor and the instruments of labor once established, such a state of things will maintain itself and reproduce itself upon a constantly increasing scale, until a new and fundamental revolution in the mode of production should again overturn it, and restore the original union in a new historical form.

What, then, is the Value of Laboring Power?

Like that of every other commodity, its value is determined by the quantity of labor necessary to produce it. The laboring power of a man exists only in his living individuality. A certain mass of necessaries must be consumed by a man to grow up and maintain his life. But the man, like the machine, will wear out, and must be replaced by another man. Beside the mass of necessaries required for his own maintenance, he wants another amount of necessaries to bring up a certain quota of children that are to replace him on the labor market and to perpetuate the race of laborers. Moreover, to develop his laboring power, and acquire a given skill, another amount of values must be spent. For our purpose it suffices to consider only average labor, the costs of whose edu-

cation and development are vanishing magnitudes. Still I must seize upon this occasion to state that, as the costs of producing laboring powers of different quality differ, so must differ the values of the laboring powers employed in different trades. The cry for an equality of wages rests, therefore, upon a mistake, is an insane wish never to be fulfilled.[8] It is an offspring of that false and superficial radicalism that accepts premises and tries to evade conclusions. Upon the basis of the wages system the value of laboring power is settled like that of every other commodity; and as different kinds of laboring power have different values, or require different quantities of labor for their production, they must fetch different prices in the labor market. To clamor for equal or even equitable retribution on the basis of the wages system is the same as to clamor for freedom on the basis of the slavery system. What you think just or equitable is out of the question. The question is: What is necessary and unavoidable with a given system of production?

After what has been said, it will be seen that *the value of laboring power is determined by the value of the necessaries required to produce, develop, maintain, and perpetuate the laboring power.*

VIII

PRODUCTION OF SURPLUS VALUE

Now suppose that the average amount of the daily necessaries of a laboring man require six hours of average labor for their production. Suppose, moreover, six hours of average labor to be also realized in a quantity of gold equal to 3*s*. Then 3*s*. would be the price, or the monetary expression of the daily value of that man's laboring power. If he worked daily six hours he would daily produce a value sufficient to buy the average amount of his daily necessaries, or to maintain himself as a laboring man.

But our man is a wages laborer. He must, therefore, sell his laboring power to a capitalist. If he sells it at 3s. daily, or 18s. weekly, he sells it at its value. Suppose him to be a spinner. If he works six hours daily he will add to the cotton a value of 3s. daily. This value, daily added by him, would be an exact equivalent for the wages, or the price of his laboring power, received daily. But in that case no surplus value or surplus produce whatever would go to the capitalist. Here, then, we come to the rub.

In buying the laboring power of the workman, and paying its value, the capitalist, like every other purchaser, has acquired the right to consume or use the commodity bought. You consume or use the laboring power of a man by making him work, as you consume or use a machine by making it run. By buying the daily or weekly value of the laboring power of the workman, the capitalist has, therefore, acquired the right to use or make that laboring power work during the whole day or week. The working day or the working week has, of course, certain limits, but those we shall afterwards look more closely at.

For the present I want to turn your attention to one decisive point.

The value of the laboring power is determined by the quantity of labor necessary to maintain or reproduce it, but the use of that laboring power is only limited by the active energies and physical strength of the laborer. The daily or weekly value of the laboring power is quite distinct from the daily or weekly exercise of that power, the same as the food a horse wants and the time it can carry the horseman are quite distinct. The quantity of labor by which the value of the workman's laboring power is limited forms by no means a limit to the quantity of labor which his laboring power is apt to perform. Take the example of our spinner. We have seen that, to daily reproduce his laboring power, he must daily reproduce a value of three shillings, which he will do by working six hours daily. But this does not disable

him from working ten or twelve or more hours a day. But by paying the daily or weekly value of the spinner's laboring power the capitalist has acquired the right of using that laboring power during the whole day or week. He will, therefore, make him work say, daily, twelve hours. Over and above the six hours required to replace his wages, or the value of his laboring power, he will, therefore, have to work six other hours, which I shall call hours of surplus labor, which surplus labor will realize itself in a surplus value and a surplus produce. If our spinner, for example, by his daily labor of six hours, added three shillings' value to the cotton, a value forming an exact equivalent to his wages, he will, in twelve hours, add six shillings' worth to the cotton, and produce a proportional surplus of yarn. As he has sold his laboring power to the capitalist, the whole value or produce created by him belongs to the capitalist, the owner pro tem. of his laboring power. By advancing three shillings, the capitalist will, therefore, realize a value of six shillings, because, advancing a value in which six hours of labor are crystallized, he will receive in return a value in which twelve hours of labor are crystallized. By repeating this same process daily, the capitalist will daily advance three shillings and daily pocket six shillings, one half of which will go to pay wages anew, and the other half of which will form surplus value, for which the capitalist pays no equivalent. It is this sort of exchange between capital and labor upon which capitalistic production, or the wages system, is founded, and which must constantly result in reproducing the working man as a working man, and the capitalist as a capitalist.

The rate of surplus value, all other circumstances remaining the same, will depend on the proportion between that part of the working day necessary to reproduce the value of the laboring power and the surplus time or surplus labor performed for the capitalist. It will, therefore, depend on the ratio in which the working day is prolonged over and above that extent, by working which the working man would only reproduce the value of his laboring power, or replace his wages.

IX

VALUE OF LABOR

We must now return to the expression, "Value, or Price of Labor."

We have seen that, in fact, it is only the value of the laboring power, measured by the values of commodities necessary for its maintenance. But since the workman receives his wages after his labor is performed, and knows, moreover, that what he actually gives to the capitalist is his labor, the value or price of his laboring power necessarily appears to him as the price or value of his labor itself. If the price of his laboring power is three shillings, in which six hours of labor are realized, and if he works twelve hours, he necessarily considers these three shillings as the value or price of twelve hours of labor, although these twelve hours of labor realize themselves in a value of six shillings. A double consequence flows from this.

Firstly, The value or price of the laboring power takes the semblance of the price or value of labor itself, although, strictly speaking, value and price of labor are senseless terms.

Secondly, Although one part only of the workman's daily labor is paid, while the other part is unpaid, and while that unpaid or surplus labor constitutes exactly the fund out of which surplus value or profit is formed, it seems as if the aggregate labor was paid labor.

This false appearance distinguishes wages labor from other historical forms of labor. On the basis of the wages system even the unpaid labor seems to be paid labor. With the slave, on the contrary, even that part of his labor which is paid appears to be unpaid. Of course, in order to work the slave must live, and one part of his working day goes to replace the value of his own maintenance. But since no bargain is struck between him and his master, and no acts of selling and buying are going on between the two parties, all his labor seems to be given away for nothing.

Take, on the other hand, the peasant serf, such as he, I

might say, until yesterday existed in the whole East of Europe. This peasant worked, for example, three days for himself on his own field or the field allotted to him, and the three subsequent days he performed compulsory and gratuitous labor on the estate of his lord. Here, then, the paid and unpaid parts of labor were sensibly separated, separated in time and space; and our Liberals overflowed with moral indignation at the preposterous notion of making a man work for nothing.

In point of fact, however, whether a man works three days of the week for himself on his own field and three days for nothing on the estate of his lord, or whether he works in the factory or the workshop six hours daily for himself and six for his employer, comes to the same, although in the latter case the paid and unpaid portions of labor are inseparably mixed up with each other, and the nature of the whole transaction is completely masked by the intervention of a contract and the pay received at the end of the week. The gratuitous labor appears to be voluntarily given in the one instance, and to be compulsory in the other. That makes all the difference.

In using the word "value of labor," I shall only use it as a popular slang term for "value of laboring power."

X

PROFIT IS MADE BY SELLING A COMMODITY AT ITS VALUE

Suppose an average hour of labor to be realized in a value equal to sixpence, or twelve average hours of labor to be realized in six shillings. Suppose, further, the value of labor to be three shillings or the produce of six hours' labor. If, then, in the raw material, machinery, and so forth, used up in a commodity, twenty-four hours of average labor were realized, its value would amount to twelve shillings. If, moreover, the workman employed by the capitalist added twelve hours of labor to those means of production, these twelve hours would be realized in an additional value of six shillings. The total value of the product would, therefore,

amount to thirty-six hours of realized labor, and be equal to eighteen shillings. But as the value of labor, or the wages paid to the workman, would be three shillings only, no equivalent would have been paid by the capitalist for the six hours of surplus labor worked by the workman, and realized in the value of the commodity. By selling this commodity at its value for eighteen shillings, the capitalist would, therefore, realize a value of three shillings, for which he had paid no equivalent. These three shillings would constitute the surplus value or profit pocketed by him. The capitalist would consequently realize the profit of three shillings, not by selling his commodity at a price over and above its value, but by selling it at its real value.

The value of a commodity is determined by the total quantity of labor contained in it. But part of that quantity of labor is realized in a value, for which an equivalent has been paid in the form of wages; part of it is realized in a value for which no equivalent has been paid. Part of the labor contained in the commodity is paid labor; part is unpaid labor. By selling, therefore, the commodity at its value, that is, as the crystallization of the total quantity of labor bestowed upon it, the capitalist must necessarily sell it at a profit. He sells not only what has cost him an equivalent, but he sells also what has cost him nothing, although it has cost his workman labor. The cost of the commodity to the capitalist and its real cost are different things. I repeat, therefore, that normal and average profits are made by selling commodities not above, but at their real values.

XI

THE DIFFERENT PARTS INTO WHICH SURPLUS VALUE IS DECOMPOSED

The surplus value, or that part of the total value of the commodity in which the surplus labor or unpaid labor of the working man is realized, I call Profit. The whole of that profit is not pocketed by the employing capitalist. The mon-

opoly of land enables the landlord to take one part of that surplus value, under the name of rent, whether the land is used for agriculture, buildings or railways, or for any other productive purpose. On the other hand, the very fact that the possession of the instruments of labor enables the employing capitalist to produce a surplus value, or, what comes to the same, to appropriate to himself a certain amount of unpaid labor, enables the owner of the means of labor, which he lends wholly or partly to the employing capitalist—enables, in one word, the money-lending capitalist to claim for himself under the name of interest another part of that surplus value, so that there remains to the employing capitalist as such only what is called industrial or commercial profit.

By what laws this division of the total amount of surplus value amongst the three categories of people is regulated is a question quite foreign to our subject. This much, however, results from what has been stated.

Rent, Interest, and Industrial Profit are only different names for different parts of the surplus value of the commodity, or the unpaid labor enclosed in it, and they are equally derived from this source, and from this source alone. They are not derived from land as such or from capital as such, but land and capital enable their owners to get their respective shares out of the surplus value extracted by the employing capitalist from the laborer. For the laborer himself it is a matter of subordinate importance whether that surplus value, the result of his surplus labor, or unpaid labor, is altogether pocketed by the employing capitalist, or whether the latter is obliged to pay portions of it, under the name of rent and interest, away to third parties. Suppose the employing capitalist to use only his own capital and to be his own landlord, then the whole surplus value would go into his pocket.

It is the employing capitalist who immediately extracts from the laborer this surplus value, whatever part of it he may ultimately be able to keep for himself. Upon this relation, therefore, between the employing capitalist and the wages laborer the whole wages system and the whole present system

of production hinge. Some of the citizens who took part in our debate were, therefore, wrong in trying to mince matters, and to treat this fundamental relation between the employing capitalist and the working man as a secondary question, although they were right in stating that, under given circumstances, a rise of prices might affect in very unequal degrees the employing capitalist, the landlord, the moneyed capitalist, and, if you please, the tax-gatherer.

Another consequence follows from what has been stated.

That part of the value of the commodity which represents only the value of the raw materials, the machinery, in one word, the value of the means of production used up, forms no revenue at all, but replaces only capital. But, apart from this, it is false that the other part of the value of the commodity which forms revenue, or may be spent in the form of wages, profits, rent, interest, is constituted by the value of wages, the value of rent, the value of profits, and so forth. We shall, in the first instance, discard wages, and only treat industrial profits, interest, and rent. We have just seen that the surplus value contained in the commodity or that part of its value in which unpaid labor is realized, resolves itself into different fractions, bearing three different names. But it would be quite the reverse of the truth to say that its value is composed of, or formed by, the addition of the independent values of these three constituents.

If one hour of labor realizes itself in a value of sixpence, if the working day of the laborer comprises twelve hours, if half of this time is unpaid labor, that surplus labor will add to the commodity a surplus value of three shillings, that is of value for which no equivalent has been paid. This surplus value of three shillings constitutes the whole fund which the employing capitalist may divide, in whatever proportions, with the landlord and the money-lender. The value of these three shillings constitutes the limit of the value they have to divide amongst them. But it is not the employing capitalist who adds to the value of the commodity an arbitrary value for his profit, to which another value is added for the landlord, and so

forth, so that the addition of these arbitrarily fixed values would constitute the total value. You see, therefore, the fallacy of the popular notion, which confounds the decomposition of a given value into three parts, with the formation of that value by the addition of three independent values, thus converting the aggregate value, from which rent, profit, and interest are derived, into an arbitrary magnitude.

If the total profit realized by a capitalist is equal to £100, we call this sum, considered as absolute magnitude, the amount of profit. But if we calculate the ratio which those £100 bear to the capital advanced, we call this relative magnitude, the rate of profit. It is evident that this rate of profit may be expressed in a double way.

Suppose £100 to be the capital advanced in wages. If the surplus value created is also £100—and this would show us that half the working day of the laborer consists of unpaid labor—and if we measured this profit by the value of the capital advanced in wages, we should say that the rate of profit amounted to one hundred per cent., because the value advanced would be one hundred and the value realized would be two hundred.

If, on the other hand, we should not only consider the capital advanced in wages, but the total capital advanced, say, for example, £500, of which £400 represented the value of raw materials, machinery, and so forth, we should say that the rate of profit amounted only to twenty per cent., because the profit of one hundred would be but the fifth part of the total capital advanced.

The first mode of expressing the rate of profit is the only one which shows you the real ratio between paid and unpaid labor, the real degree of the exploitation (you must allow me this French word) of labor. The other mode of expression is that in common use, and is, indeed, appropriate for certain purposes. At all events, it is very useful for concealing the degree in which the capitalist extracts gratuitous labor from the workman.

In the remarks I have still to make I shall use the word

Profit for the whole amount of the surplus value extracted by the capitalist without any regard to the division of that surplus value between different parties, and in using the words Rate of Profit, I shall always measure profits by the value of the capital advanced in wages.

XII

GENERAL RELATION OF PROFITS, WAGES AND PRICES

Deduct from the value of a commodity the value replacing the value of the raw materials and other means of production used upon it, that is to say, deduct the value representing the past labor contained in it, and the remainder of its value will resolve into the quantity of labor added by the working man last employed. If that working man works twelve hours daily, if twelve hours of average labor crystallize themselves in an amount of gold equal to six shillings, this additional value of six shillings is the only value his labor will have created. This given value, determined by the time of his labor, is the only fund from which both he and the capitalist have to draw their respective shares or dividends, the only value to be divided into wages and profits. It is evident that this value itself will not be altered by the variable proportions in which it may be divided amongst the two parties. There will also be nothing changed if in the place of one working man you put the whole working population, twelve million working days, for example, instead of one.

Since the capitalist and workman have only to divide this limited value, that is, the value measured by the total labor of the working man, the more the one gets the less will the other get, and vice versa. Whenever a quantity is given, one part of it will increase inversely as the other decreases. If the wages change, profits will change in an opposite direction. If wages fall, profits will rise; and if wages rise, profits will fall. If the working man, on our former supposition, gets

three shillings, equal to one half of the value he has created, or if his whole working day consists half of paid, half of unpaid labor, the rate of profit will be 100 per cent., because the capitalist would also get three shillings. If the working man receives only two shillings, or works only one third of the whole day for himself, the capitalist will get four shillings, and the rate of profit will be 200 per cent. If the working man receives four shillings, the capitalist will only receive two, and the rate of profit would sink to 50 per cent., but all these variations will not affect the value of the commodity. A general rise of wages would, therefore, result in a fall of the general rate of profit, but not affect values. But although the values of commodities, which must ultimately regulate their market prices, are exclusively determined by the total quantities of labor fixed in them, and not by the division of that quantity into paid and unpaid labor, it by no means follows that the values of the single commodities, or lots of commodities, produced during twelve hours, for example, will remain constant. The number or mass of commodities produced in a given time of labor, or by a given quantity of labor, depends upon the productive power of the labor employed, and not upon its extent or length. With one degree of the productive power of spinning labor, for example, a working day of twelve hours may produce twelve pounds of yarn, with a lesser degree of productive power only two pounds. If then twelve hours' average labor were realized in the value of six shillings in the one case, the twelve pounds of yarn would cost six shillings, in the other case the two pounds of yarn would also cost six shillings. One pound of yarn would, therefore, cost sixpence in the one case, and three shillings in the other. The difference of price would result from the difference in the productive powers of labor employed. One hour of labor would be realized in one pound of yarn with the greater productive power, while with the smaller productive power, six hours of labor would be realized in one pound of yarn. The price of a pound of yarn would, in the one instance, be only sixpence, although wages were

relatively high and the rate of profit low; it would be three shillings in the other instance, although wages were low and the rate of profit high. This would be so because the price of the pound of yarn is regulated by the total amount of labor worked up in it, and not by the proportional division of that total amount into paid and unpaid labor. The fact I have before mentioned that high-priced labor may produce cheap, and low-priced labor may produce dear commodities, loses, therefore, its paradoxical appearance. It is only the expression of the general law that the value of a commodity is regulated by the quantity of labor worked up in it, and that the quantity of labor worked up in it depends altogether upon the productive powers of the labor employed, and will, therefore, vary with every variation in the productivity of labor.

XIII

MAIN CASES OF ATTEMPTS AT RAISING WAGES OR RESISTING THEIR FALL

Let us now seriously consider the main cases in which a rise of wages is attempted or a reduction of wages resisted.

1. We have seen that the value of the laboring power, or in more popular parlance, the value of labor, is determined by the value of necessaries, or the quantity of labor required to produce them. If, then, in a given country the value of the daily average necessaries of the laborer represented six hours of labor expressed in three shillings, the laborer would have to work six hours daily to produce an equivalent for his daily maintenance. If the whole working day was twelve hours, the capitalist would pay him the value of his labor by paying him three shillings. Half the working day would be unpaid labor, and the rate of profit would amount to 100 per cent. But now suppose that, consequent upon a decrease of productivity, more labor should be wanted to produce, say, the same amount of agricultural produce, so that the price of the average daily necessaries should rise from three to four

shillings. In that case the value of labor would rise by one third, or 33 1/3 per cent. Eight hours of the working day would be required to produce an equivalent for the daily maintenance of the laborer, according to his old standard of living. The surplus labor would therefore sink from six hours to four, and the rate of profit from 100 to 50 per cent. But in insisting upon a rise of wages, the laborer would only insist upon getting the increased value of his labor, like every other seller of a commodity, who, the costs of his commodities having increased, tries to get its increased value paid. If wages did not rise, or not sufficiently rise, to compensate for the increased values of necessaries, the price of labor would sink below the value of labor, and the laborer's standard of life would deteriorate.

But a change might also take place in an opposite direction. By virtue of the increased productivity of labor, the same amount of the average daily necessaries might sink from three to two shillings, or only four hours out of the working day, instead of six, be wanted to reproduce an equivalent for the value of the daily necessaries. The working man would now be able to buy with two shillings as many necessaries as he did before with three shillings. Indeed, the value of labor would have sunk, but that diminished value would command the same amount of commodities as before. Then profits would rise from three to four shillings, and the rate of profit from 100 to 200 per cent. Although the laborer's absolute standard of life would have remained the same, his relative wages, and therewith his relative social position, as compared with that of the capitalist, would have been lowered. If the working man should resist that reduction of relative wages, he would only try to get some share in the increased productive powers of his own labor, and to maintain his former relative position in the social scale. Thus, after the abolition of the Corn Laws, and in flagrant violation of the most solemn pledges given during the anti-corn law agitation, the English factory lords generally reduced wages ten per cent. The resistance of the workmen was at first baffled, but, conse-

quent upon circumstances I cannot now enter upon, the ten per cent. lost were afterwards regained.

2. The values of necessaries, and consequently the value of labor, might remain the same, but a change might occur in their money prices, consequent upon a previous change in the value of money.

By the discovery of more fertile mines and so forth, two ounces of gold might, for example, cost no more labor to produce than one ounce did before. The value of gold would then be depreciated by one half, or fifty per cent. As the values of all other commodities would then be expressed in twice their former money prices, so also the same with the value of labor. Twelve hours of labor, formerly expressed in six shillings, would now be expressed in twelve shillings. If the working man's wages should remain three shillings, instead of rising to six shillings, the money price of his labor would only be equal to half the value of his labor, and his standard of life would fearfully deteriorate. This would also happen in a greater or lesser degree if his wages should rise, but not proportionately to the fall in the value of gold. In such a case nothing would have been changed, either in the productive powers of labor, or in supply and demand, or in values. Nothing could have changed except the money names of those values. To say that in such a case the workman ought not to insist upon a proportionate rise of wages, is to say that he must be content to be paid with names, instead of with things. All past history proves that whenever such a depreciation of money occurs, the capitalists are on the alert to seize this opportunity for defrauding the workman. A very large school of political economists assert that, consequent upon the new discoveries of gold lands, the better working of silver mines, and the cheaper supply of quicksilver, the value of precious metals has been again depreciated. This would explain the general and simultaneous attempts on the Continent at a rise of wages.

3. We have till now supposed that the working day has given limits. The working day, however, has, by itself, no con-

stant limits. It is the constant tendency of capital to stretch it to its utmost physically possible length, because in the same degree surplus labor, and consequently the profit resulting therefrom, will be increased. The more capital succeeds in prolonging the working day, the greater the amount of other peoples' labor it will appropriate. During the seventeenth and even the first two-thirds of the eighteenth century a ten-hours working day was the normal working day all over England. During the anti-Jacobin war,[9] which was in fact a war waged by the British barons against the British working masses, capital celebrated its bacchanalia, and prolonged the working day from ten to twelve, fourteen, eighteen hours. Malthus,[10] by no means a man whom you would suspect of a maudlin sentimentalism, declared in a pamphlet, published about 1815, that if this sort of thing was to go on the life of the nation would be attacked at its very source. A few years before the general introduction of the newly-invented machinery, about 1765, a pamphlet appeared in England under the title, *An Essay on Trade*. The anonymous author, an avowed enemy of the working classes, declaims on the necessity of expanding the limits of the working day. Amongst the other means to this end, he proposes "working houses," which, he says, ought to be "Houses of Terror." And what is the length of the working day he prescribes for these "Houses of Terror"? Twelve hours, the very same time which in 1832 was declared by capitalists, political economists, and ministers to be not only the existing but the necessary time of labor for a child under twelve years.

By selling his laboring power—and he must do so under the present system—the working man makes over to the capitalist the consumption of that power, but within certain rational limits. He sells his laboring power in order to maintain it, apart from its natural wear and tear, but not to destroy it. In selling his laboring power at its daily or weekly value, it is understood that in one day or one week that laboring power shall not be submitted to two days' or two weeks' waste or wear and tear. Take a machine worth £1000. If it

is used up in ten years it will add to the value of the commodities in whose production it assists £100 yearly. If it is used up in five years it will add £200 yearly, or the value of its annual wear and tear is in inverse ratio to the quickness with which it is consumed. But this distinguishes the working man from the machine. Machinery does not wear out exactly in the same ratio in which it is used. Man, on the contrary, decays in a greater ratio than would be visible from the mere numerical addition of work.

In their attempts at reducing the working day to its former rational dimensions, or, where they cannot enforce a legal fixation of a normal working day, at checking overwork by a rise of wages, a rise not only in proportion to the surplus time exacted, but in a greater proportion, working men fulfil only a duty to themselves and their race. They only set limits to the tyrannical usurpations of capital. Time is the room of human development. A man who has no free time to dispose of, whose whole lifetime, apart from the mere physical interruptions by sleep, meals, and so forth, is absorbed by his labor for the capitalist, is less than a beast of burden. He is a mere machine for producing foreign wealth, broken in body and brutalized in mind. Yet the whole history of modern industry shows that capital, if not checked, will recklessly and ruthlessly work to cast down the whole working class to this utmost state of degradation.

In prolonging the working day the capitalist may pay higher wages and still lower the value of labor, if the rise of wages does not correspond to the greater amount of labor extracted, and the quicker decay of the laboring power thus caused. This may be done in another way. Your middle-class statisticians will tell you, for instance, that the average wages of factory families in Lancashire has risen. They forget that instead of the labor of the man, the head of the family, his wife and perhaps three or four children are now thrown under the Juggernaut wheels of capital, and that the rise of the aggregate wages does not correspond to the aggregate surplus labor extracted from the family.

Even with given limits of the working day, such as they now exist in all branches of industry subjected to the factory laws, a rise of wages may become necessary, if only to keep up the old standard value of labor. By increasing the intensity of labor, a man may be made to expend as much vital force in one hour as he formerly did in two. This has, to a certain degree, been effected in the trades placed under the Factory Acts, by the acceleration of machinery, and the greater number of working machines which a single individual has now to superintend. If the increase in the intensity of labor or the mass of labor spent in an hour keeps some fair proportion to the decrease in the extent of the working day, the working man will still be the winner. If this limit is overshot, he loses in one form what he has gained in another, and ten hours of labor may then become as ruinous as twelve hours were before. In checking this tendency of capital, by struggling for a rise of wages corresponding to the rising intensity of labor, the working man only resists the depreciation of his labor and the deterioration of his race.

4. All of you know that, from reasons I have not now to explain, capitalistic production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis, and stagnation. The market prices of commodities, and the market rates of profit, follow these phases, now sinking below their averages, now rising above them. Considering the whole cycle, you will find that one deviation of the market price is being compensated by the other, and that, taking the average of the cycle, the market prices of commodities are regulated by their values. Well! During the phases of sinking market prices and the phases of crisis and stagnation, the working man, if not thrown out of employment altogether, is sure to have his wages lowered. Not to be defrauded, he must, even with such a fall of market prices, debate with the capitalist in what proportional degree a fall of wages has become necessary. If, during the phases of prosperity, when extra profits are made, he did not battle for a rise of wages, he would, taking the

average of one industrial cycle, not even receive his average wages, or the value of his labor. It is the utmost height of folly to demand, that while his wages are necessarily affected by the adverse phases of the cycle, he should exclude himself from compensation during the prosperous phases of the cycle. Generally, the values of all commodities are only realized by the compensation of the continuously changing market prices, springing from the continuous fluctuations of demand and supply. On the basis of the present system labor is only a commodity like others. It must, therefore, pass through the same fluctuations to fetch an average price corresponding to its value. It would be absurd to treat it on the one hand as a commodity, and to want on the other hand to exempt it from the laws which regulate the prices of commodities. The slave receives a permanent and fixed amount of maintenance; the wages laborer does not. He must try to get a rise of wages in the one instance, if only to compensate for a fall of wages in the other. If he resigned himself to accept the will, the dictates of the capitalist as a permanent economical law, he would share in all the miseries of the slave, without the security of the slave.

5. In all the cases I have considered, and they form ninety-nine out of a hundred, you have seen that a struggle for a rise of wages follows only in the track of previous changes, and is the necessary offspring of previous changes in the amount of production, the productive powers of labor, the value of labor, the value of money, the extent or the intensity of labor extracted, the fluctuations of market prices, dependent upon the fluctuations of demand and supply, and consistent with the different phases of the industrial cycle; in one word, as reactions of labor against the previous action of capital. By treating the struggle for a rise of wages independently of all these circumstances, by looking only upon the change of wages, and overlooking all the other changes from which they emanate, you proceed from a false premise in order to arrive at false conclusions.

XIV

THE STRUGGLE BETWEEN CAPITAL AND LABOR AND ITS RESULTS

1. Having shown that the periodical resistance on the part of the working men against a reduction of wages, and their periodical attempts at getting a rise of wages, are inseparable from the wages system, and dictated by the very fact of labor being assimilated to commodities, and therefore subject to the laws regulating the general movement of prices; having, furthermore, shown that a general rise of wages would result in a fall in the general rate of profit, but not affect the average prices of commodities, or their values, the question now ultimately arises, how far, in this incessant struggle between capital and labor, the latter is likely to prove successful.

I might answer by a generalization, and say that, as with all other commodities, so with labor, its market price will, in the long run, adapt itself to its value; that, therefore, despite all the ups and downs, and do what he may, the working man will, on an average, only receive the value of his labor, which resolves into the value of his laboring power, which is determined by the value of the necessaries required for its maintenance and reproduction, which value of necessaries finally is regulated by the quantity of labor wanted to produce them.

But there are some peculiar features which distinguish the value of the laboring power, or the value of labor, from the values of all other commodities. The value of the laboring power is formed by two elements—the one merely physical, the other historical or social. Its ultimate limit is determined by the physical element, that is to say, to maintain and reproduce itself, to perpetuate its physical existence, the working class must receive the necessaries absolutely indispensable for living and multiplying. The value of those indispensable necessaries forms, therefore, the ultimate limit of the value of labor. On the other hand, the length of the working day is also limited by ultimate, although very elastic boundaries. Its

ultimate limit is given by the physical force of the laboring man. If the daily exhaustion of his vital forces exceeds a certain degree, it cannot be exerted anew, day by day. However, as I said, this limit is very elastic. A quick succession of unhealthy and short-lived generations will keep the labor market as well supplied as a series of vigorous and long-lived generations.

Besides this mere physical element, the value of labor is in every country determined by a traditional standard of life.[11] It is not mere physical life, but it is the satisfaction of certain wants springing from the social conditions in which people are placed and reared up. The English standard of life may be reduced to the Irish standard; the standard of life of a German peasant to that of a Livonian peasant. The important part which historical tradition and social habitude play in this respect, you may learn from Mr. Thornton's work on *Overpopulation,* where he shows that the average wages in different agricultural districts of England still nowadays differ more or less according to the more or less favorable circumstances under which the districts have emerged from the state of serfdom.

This historical or social element, entering into the value of labor, may be expanded, or contracted, or altogether extinguished, so that nothing remains but the physical limit. During the time of the anti-Jacobin war, undertaken, as the incorrigible tax-eater and sinecurist, old George Rose, used to say, to save the comforts of our holy religion from the inroads of the French infidels, the honest English farmers,[12] so tenderly handled in a former chapter of ours, depressed the wages of the agricultural laborers even beneath that mere physical minimum, but made up by Poor Laws [13] the remainder necessary for the physical perpetuation of the race. This was a glorious way to convert the wages laborer into a slave, and Shakespeare's proud yeoman into a pauper.

By comparing the standard wages or values of labor in different countries, and by comparing them in different historical epochs of the same country, you will find that the

value of labor itself is not a fixed but a variable magnitude, even supposing the values of all other commodities to remain constant.

A similar comparison would prove that not only the market rates of profit change, but its average rates.

But as to profits, there exists no law which determines their minimum. We cannot say what is the ultimate limit of their decrease. And why cannot we fix that limit? Because, although we can fix the minimum of wages, we cannot fix their maximum. We can only say that, *the limits of the working day being given, the maximum of profit corresponds to the physical minimum of wages; and that wages being given, the maximum of profit corresponds to such a prolongation of the working day as is compatible with the physical forces of the laborer. The maximum of profit is therefore limited by the physical minimum of wages and the physical maximum of the working day. It is evident that between the two limits of this maximum rate of profit an immense scale of variations is possible. The fixation of its actual degree is only settled by the continuous struggle between capital and labor, the capitalist constantly tending to reduce wages to their physical minimum, and to extend the working day to its physical maximum, while the working man constantly presses in the opposite direction.*

The matter resolves itself into a question of the respective powers of the combatants.

2. As to the limitation of the working day in England, as in all other countries, it has never been settled except by legislative interference.[14] Without the working men's continuous pressure from without that interference would never have taken place. But at all events, the result was not to be attained by private settlement between the working men and the capitalists. This very necessity of general political action affords the proof that in its merely economic action capital is the stronger side.

As to the limits of the value of labor, its actual settlement

always depends upon supply and demand, I mean the demand for labor on the part of capital, and the supply of labor by the working men. In colonial countries the law of supply and demand favors the working man. Hence the relatively high standard of wages in the United States. Capital may there try its utmost. It cannot prevent the labor market from being continuously emptied by the continuous conversion of wage laborers into independent, self-sustaining peasants. The position of wage laborer is for a very large part of the American people but a probational state, which they are sure to leave within a longer or shorter term. To mend this colonial state of things, the paternal British Government accepted for some time what is called the modern colonization theory, which consists in putting an artificial high price upon colonial land, in order to prevent the too quick conversion of the wage laborer into the independent peasant.

But let us now come to old civilized countries, in which capital domineers over the whole process of production. Take, for example, the rise in England of agricultural wages from 1849 to 1859. What was its consequence? The farmers could not, as our friend Weston would have advised them, raise the value of wheat, nor even its market prices. They had, on the contrary, to submit to their fall. But during these eleven years they introduced machinery of all sorts, adopted more scientific methods, converted part of the arable land into pasture, increased the size of farms, and with this the scale of production, and by these and other processes, diminishing the demand for labor by increasing its productive power, made the agricultural population again relatively redundant. This is the general method in which a reaction, quicker or slower, of capital against a rise of wages takes place in old, settled countries. Ricardo has justly remarked that machinery is in constant competition with labor, and can often be introduced only when the price of labor has reached a certain height, but the appliance of machinery is but one of the many methods for increasing the productive powers of labor. This

very same development which makes common labor relatively redundant, on the other hand simplifies skilled labor, and thus depreciates it.

The same law obtains in another form. With the development of the productive powers of labor the accumulation of capital will be accelerated, even despite a relatively high rate of wages. Hence, one might infer, as Adam Smith, in whose days modern industry was still in its infancy, did infer, that the accelerated accumulation of capital must turn the balance in favor of the working man, by securing a growing demand for his labor. From this same standpoint many contemporary writers have wondered that English capital having grown in the last twenty years so much quicker than English population, wages should not have been more enhanced. But simultaneously with the progress of accumulation there takes place a progressive change in the composition of capital. That part of the aggregate capital which consists of fixed capital, machinery, raw materials, means of production in all possible forms, progressively increases as compared with the other part of capital, which is laid out in wages or in the purchase of labor. This law has been stated in a more or less accurate manner by Mr. Barton, Ricardo, Sismondi, Professor Richard Jones, Professor Ramsey, Cherbulliez, and others.

If the proportion of these two elements of capital was originally one to one, it will, in the progress of industry, become five to one, and so forth. If of a total capital of £600, £300 is laid out in instruments, raw materials, and so forth, and £300 in wages, the total capital wants only to be doubled to create a demand for 600 working men instead of for 300. But if of a capital of £600, £500 is laid out in machinery, materials, and so forth, and £100 only in wages, the same capital must increase from £600 to £3600 in order to create a demand for 600 workmen instead of 300. In the progress of industry the demand for labor keeps, therefore, no pace with the accumulation of capital. It will still increase, but increase in a constantly diminishing ratio as compared with the increase of capital.

These few hints will suffice to show that the very development of modern industry must progressively turn the scale in favor of the capitalist against the working man, and that consequently the general tendency of capitalistic production is not to raise, but to sink the average standard of wages, or to push the value of labor more or less to its minimum limit. Such being the tendency of things in this system, is this saying that the working class ought to renounce their resistance against the encroachments of capital, and abandon their attempts at making the best of the occasional chances for their temporary improvement? If they did, they would be degraded to one level mass of broken wretches past salvation. I think I have shown that their struggles for the standard of wages are incidents inseparable from the whole wages system, that in ninety-nine cases out of a hundred their efforts at raising wages are only efforts at maintaining the given value of labor, and that the necessity of debating their price with the capitalist is inherent to their condition of having to sell themselves as commodities. By cowardly giving way in their every-day conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.

At the same time, and quite apart from the general servitude involved in the wages system, the working class ought not to exaggerate to themselves the ultimate working of these every-day struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerilla fights incessantly springing up from the never-ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the material conditions and the social forms necessary for an economical reconstruction of society. Instead of the conservative motto, "A fair day's wages for a fair day's work!" they ought to inscribe on their

banner the revolutionary watchword, "Abolition of the wages system!"

After this very long and, I fear, tedious exposition which I was obliged to enter into to do some justice to the subject-matter, I shall conclude by proposing the following resolutions:—

Firstly: A general rise in the rate of wages would result in a fall of the general rate of profit, but, broadly speaking, not affect the prices of commodities.

Secondly: The general tendency of capitalist production is not to raise, but to sink the average standard of wages.

Thirdly: Trades Unions work well as centers of resistance against the encroachments of capital. They fail partially from an injudicious use of their power. They fail generally from limiting themselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organized forces as a lever for the final emancipation of the working class—that is to say, the ultimate abolition of the wages system.

NOTES TO "VALUE, PRICE, AND PROFIT"

The present editor is responsible for the following notes, which serve chiefly to explain various historical allusions in the text.

[1] (Page 113.) This paper was read by Marx, who was General Secretary of the International Workingmen's Association, at a meeting of the General Council, shortly before the conference or congress held at London in September, 1865.

[2] (Page 113.) Weston was one of the London delegates to that congress. It may be noted that the word "Citizen" was commonly used as a form of address among members of the First International, just as "Comrade" is generally used among Socialists now.

[3] (Page 121.) This bill, passed by parliament in 1847, was the beginning of any serious legislation to limit the exploitation of wage-labor. It applied to the principal large industries, and (as perfected by an amending act three years later) forbade the employment of women or young persons

for more than ten hours, exclusive of meal times, in any one day. In practice, wherever men and women were employed together, it shortened the men's workday too, since the employer could usually gain nothing by keeping the men in the factory after the women had gone. It thus set a standard and helped greatly toward reducing the working hours for both sexes, even in industries to which it did not directly apply. The bill was a concession to the growing revolt of the working class, embodied in Chartism and in the trade unions. It was carried in parliament mainly by the votes of the Tories or Conservatives, representing the landholding class, who were quite willing to bid for the friendship of the industrial workers at no cost to themselves, but only to the industrial capitalists, against whom they had a grudge because of the repeal of the Corn Laws and other Liberal legislation.

[4] (Page 122.) Robespierre was one of the most prominent figures in the critical period of the French Revolution. The wars in which the republic was involved having caused a great increase in the cost of living, the revolutionary government tried to give relief to the masses by means of laws designating a maximum price for certain of the prime necessaries of life, and making it a penal offense for any seller to charge more.

[5] (Page 124.) The word "corn," in British usage, means grain in general, and especially wheat. For two or three centuries Great Britain had laws imposing a tariff on imported grain. The rate was adjusted on a sliding scale, increasing whenever the price of grain fell in the London market, and becoming less when the market price rose. The effect was of course to keep up the price of breadstuffs. Ostensibly the purpose was to assure the farmers such a profit as would make it worth their while to raise enough grain to meet the country's needs, thus making Great Britain certain of a supply of food in case of war. In practice the benefit went mostly to the large landowners, who were able to exact higher rents from the farmers than they could otherwise have got. The burden fell chiefly on the poorer classes, especially the urban wage-workers, who in those days had to spend a far larger proportion of their earnings for bread than is now the case. The industrial capitalists, thinking that a lowering of the workers' cost of living would make possible a general reduction of wages, desired free importation of food. The Anti-Corn Law

League was launched in 1838, and was supported by a large part of the working class, as well as by the capitalists. In 1846 the Liberal majority in parliament carried the repeal of the Corn Laws, and by 1853 Great Britain had practically wiped out its whole system of protective tariffs.

[6] (Page 128.) The "American crisis" here referred to was the Civil War of 1861-65. Up to this time the British textile industry had depended almost wholly on the United States for its supply of raw cotton. The outbreak of war between North and South cut off this supply, the price of cotton rose enormously, and a large part of the British mills were closed. Within two or three years the high price of cotton stimulated such a vast increase of cotton growing in Egypt and India that the price came down again, and the British industry had once more an adequate and regular supply of raw material. The rise in the price of wheat in the early sixties, to which Marx refers a few lines farther on, was also largely due to the war in America.

[7] (Page 145.) Those who are interested in the subject to which Marx here briefly alludes may well read the last part of the first volume of *Capital*—the part entitled "The So-Called Primitive Accumulation."

[8] (Page 146.) This sentence, if taken by itself, may easily be misunderstood or misconstrued. In the first place, it must be observed that Marx is speaking of wages within the capitalist system. What he says has no bearing on the question how services will be remunerated or product distributed in a socialistic system. In the second place, his words by no means imply that just such inequality of wages as prevailed in his time must always prevail in capitalist society, and assuredly not that it is desirable. No one knew better than he that any one of a number of causes may raise or lower wages for any particular kind of labor, and thus increase or diminish the inequality. Among these causes he recognized the power of labor organization. In fact there has been a good deal of "leveling up," especially within the last forty years, due mainly to the last-named cause; and no doubt Marx would have been among the first to welcome it. His daughter Eleanor and a number of his closest friends were active in that great movement to organize the unskilled, launched in 1889-90 and known in British labor history as "the New Unionism," which

did much to narrow the gap between the best and the worst paid workers. What Marx condemns is a certain kind of "false radicalism" which, in crying out against the inequality of wages, tends to reproach the more highly skilled, more strongly organized, and better paid workers for the poverty of the unskilled and unorganized. This sort of thing unfortunately still crops up from time to time, especially among the so-called intellectuals who play around on the edge of the labor movement and think themselves licensed to scold it for its errors and defects. They are often more bitter against the unions of the skilled trades than against the capitalists and lackeys of capitalism, and seem to believe that, if what they like to call the "aristocracy of labor" could be broken down, the lower strata of the working class would thereby be elevated. On its theoretical side, this centering of attention on inequality of wages, instead of on the division of product into wages and surplus-value, is closely connected with the theory that the aggregate of real wages cannot be increased—the idea which Weston upheld. On its practical side, it is most pernicious, since it tends to split the labor movement, antagonizing the well paid workers by threatening to drag them down and deluding the ill paid with false hopes.

[9] (Page 160.) When he speaks of the "Anti-Jacobin war" Marx has in mind the black reaction which began in Great Britain as soon as the French Revolution got well under way, and which continued for about thirty years. A good account of this period is to be found in H. N. Brailsford's *Godwin, Shelley, and Their Circle.* The Jacobins were the most extreme and for some time the most powerful party among the revolutionists in France, and their name served in England and elsewhere both as shibboleth and as anathema, just as the word "Bolshevik" has done in recent years. Of course Marx here uses the word "barons" in a figurative sense, just as we still speak of mill lords, coal barons, and railway kings.

[10] (Page 160.) Thomas Robert Malthus was an English clergymen who in 1805 published an important book entitled *An Essay on the Principle of Population.* He believed he had proved that, in the normal course of things, population tends to increase more rapidly than the output of food and other agricultural products; that consequently the per capita supply of the prime necessaries of life becomes less and less; and that

there must inevitably result a continuous increase in the numbers of the poor and a continuous intensification of their poverty, up to the point where war, pestilence, famine, and similar causes, check the growth of population enough to keep an equilibrium. As an economist, then, Malthus held that the more children the workers brought into the world, the more they promoted poverty; as a moralist, he thought it wicked for them to limit the numbers of their offspring save by late marriage and continence; as a clergyman, he promised that, if they were virtuous and submissive, they would go to a heaven where there is no such thing as a cost of living or a problem of population. The Neo-Malthusians—Annie Besant, Charles Bradlaugh, and others—in the later nineteenth century agreed with him as an economist, but rejected his moral scruples and his religious consolation. For them, what is now commonly called "birth control" seemed to be not only a wise practice from the point of view of the individual, but also a simple solution of the labor question. Let the workers breed fewer children; the ratio of workers to jobs will thus be diminished; wages will rise, and all will be well. While the practice of birth control is no doubt increasing among all classes in most civilized countries, and the number of those who condemn it on ethical grounds is becoming less, the labor movement has wisely refused to accept limitation of offspring as a class policy. Not by diminishing its numbers, but by increasing its organized power, does the militant working class expect to emancipate itself. It may be added that Malthus' basic economic thesis seems by no means so well established now as it did a century ago.

[11] (Page 165.) Many critics of Marx, and some who think they are his followers, ignore this important point. Ferdinand Lassalle coined the phrase "the Iron Law of Wages" and made effective use of it in propaganda. Marx, more concerned for scientific correctness than was Lassalle, repudiated the phrase. His recognition of the psychological element in the standard of living is intimately connected with his recognition of the value of the trade unions and their struggle for higher wages.

[12] (Page 165.) The English farmer is a different sort of person from what we call a farmer in the United States. His holdings are relatively larger and are cultivated chiefly by hired laborers. He is in effect an agricultural capitalist, while

most American farmers are in the main self-employing workers, and only incidentally employers of wage-labor.

[13] (Page 165.) In the course of the sixteenth and seventeenth centuries a large part of the agricultural land of England, which had for a long time been held by small peasants at a low rental and by a hereditary tenure, was taken away from them, partly by force, partly by fraud, partly by legislation and judicial perversion of the law. This wholesale expropriation not only laid the basis for the wealth of the modern landholding aristocracy and gentry; it also provided a propertyless multitude to serve as wage-workers for the rising bourgeoisie. Its social effects, however, were so frightful, it produced such a mass of beggary, crime, and potential rebellion, and so strongly tended to lessen the man-power of the nation in case of war, that the state had to intervene to protect the general interests of the propertied classes from the disaster with which they were menaced through the free pursuit of individual self-interest by their own members. This it did, among other things, by the system of Poor Laws inaugurated under Elizabeth and continued, with various modifications, far into the nineteenth century—nay, not altogether abandoned even now. The purpose and effect of this legislation was, not to help the unwillingly idle to get employment and help the underpaid to get better wages, but through miserably small doles, paid out of the taxes, to make up the difference between the barest cost of subsistence and the actual starvation wages paid by employers of agricultural labor. On the one hand, this favored the employing farmer and still more the landlord, at the expense of all other classes. On the other hand, it demoralized the rural working people, trained them in timid servility, and so made "Merrie England" safe for their exploiters. Gibbins' *Industrial History of England* is well worth reading on this subject.

[14] (Page 166.) It is to be remembered that Marx wrote this in 1865. Since that time, there can be no doubt, the trade unions have done much to shorten the workday, as well as to raise wages. But their power to do this has resulted very largely from legislation limiting the working hours of women and minors and restricting the employment of children. Without such laws, it is not likely that unionism alone could have done half what it has done on these lines.

THE BASIS OF HISTORY

THREE SELECTIONS FROM MARX

I. The Materialistic Conception of History.—*From Marx's Preface to His "Critique of Political Economy."*

I was led by my studies to the conclusion that legal relations as well as forms of the state could neither be understood by themselves nor explained by the so-called general progress of the human mind, but that they are rooted in the material conditions of life. . . . The general conclusion at which I arrived and which, once reached, continued to serve as the leading thread in my studies, may be briefly summed up as follows:

In the social production which men carry on they enter into definite relations which are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society—the real foundation, on which rise legal and political forms of social consciousness.

The mode of production in material life determines the general character of the social, political, and spiritual processes of life. It is not the consciousness of men that determines their existence, but on the contrary their social existence determines their consciousness.

At a certain stage in their development, the material forces of production in society come into conflict with the existing relations of production, or—what is but a legal expression for the same thing—with the property relations within which

they had been at work before. From forms of development of the forces of production, these turn into their fetters. Then comes the period of social revolution. With the change of the economic foundation, the entire immense superstructure is more or less rapidly transformed.

In considering such transformations the distinction should always be made between the material transformation of the economic conditions of production, which can be determined with the precision of natural science, and the legal, political, religious, aesthetic, or philosophical—in short, the ideological forms in which men become conscious of this conflict and fight it out. Just as our opinion of an individual is not based on what he thinks of himself, so can we not judge of such a period of transformation by its own consciousness; on the contrary, this consciousness must rather be explained from the contradictions of material life, from the existing conflict between the social forces of production and the relations of production.

No social order ever disappears before all the productive forces for which there is room within it have been developed; and new higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society. Therefore, mankind always takes up only such problems as it can solve; since, looking at the matter more closely, we will always find that the problem itself arises only when the material conditions necessary for its solution already exist or are at least in process of formation.

II. The Proletarian Revolution.—*Excerpt from Marx's "Eighteenth Brumaire of Louis Bonaparte."*

Man makes his own history, but he does not make it out of the whole cloth; he does not make it out of conditions chosen by himself, but out of such as he finds close at hand. The tradition of all past generations weighs like an alp upon the brain of the living. At the very time when men appear engaged in revolutionizing things and themselves, in bringing

about what never was before, at such very epochs of revolutionary crisis do they anxiously conjure up into their service the spirits of the past, assume their names, their battle cries, their costumes, to enact a new historic scene in such time-honored disguise and with such borrowed language. . . . Thus does the beginner, who has acquired a new language, keep on translating it back into his own mother tongue; only then has he grasped the spirit of the new language and is able freely to express himself therewith, when he moves in it without recollections of the old one and has forgotten in its use his own heriditary tongue. . . .

The social revolution of the nineteenth century cannot draw its poetry from the past, it can draw that only from the future. It cannot start upon its work before it has stricken off all superstition concerning the past. Former revolutions required historic reminiscences in order to intoxicate themselves with their own issues. The revolution of the nineteenth century must let the dead bury their own dead in order to reach its issue. With the former, the phrase surpassed the substance; with this one, the substance surpasses the phrase. . . .

Bourgeois revolutions, like those of the eighteenth century, rush onward rapidly from success to success, their stage effects outbid one another, men and things seem to be set in flaming brilliants, ecstasy is the prevailing spirit; but they are short-lived, they reach their climax speedily, and then society relapses into a long fit of nervous reaction before it learns how to appropriate the fruits of its period of feverish excitement. Proletarian revolutions, on the contrary, such as those of the nineteenth century, criticize themselves constantly; constantly interrupt themselves in their own course; come back to what seems to have been accomplished, in order to start anew; scorn with cruel thoroughness the half-measures, weaknesses, and meannesses of their first attempts; seem to throw down their adversary only to enable him to draw fresh strength from the earth and again to rise up against them in more gigantic stature; constantly recoil in fear before the unde-

fined monster magnitude of their own objects—until finally that situation is created which renders all retreat impossible, and conditions themselves cry out: "Hic Rhodus, hic salta!"

III. The Historical Tendency of Capitalist Accumulation.—*Chapter XXXII of the First Volume of "Capital."*

What does the primitive accumulation of capital—that is, its historical genesis—resolve itself into? In so far as it is not immediate transformation of slaves and serfs into wage-laborers, and therefore a mere change of form, it only means the expropriation of the immediate producers—that is, the dissolution of private property based on the labor of its owner.

Private property, as the antithesis to social, collective property, exists only where the means of labor and the external conditions of labor belong to private individuals. But according as these private individuals are laborers or not laborers, private property has a different character. The numberless shades that it at first sight presents correspond to the intermediate stages lying between these two extremes. The private property of the laborer in his means of production is the foundation of petty industry, whether agricultural, manufacturing, or both; petty industry, again, is an essential condition for the development of social production and of the free individuality of the laborer himself.

Of course this petty mode of production exists also under slavery, serfdom, and other states of dependence, but it flourishes, it lets loose its whole energy, it attains its adequate classical form, only where the laborer is the private owner of his own means of labor set in action by himself—the peasant of the land he cultivates, the artisan of the tool which he handles as a virtuoso. This mode of production presupposes parcelling of the soil and scattering of the other means of production. As it excludes the concentration of these means of production, so it also excludes co-operation, division of labor within each separate process of production,

the control over and the productive application of the forces of nature by society, and the free development of the social productive powers. It is compatible only with a system of production and a society moving within narrow and more or less primitive bounds. To perpetuate it would be, as Pecqueur rightly says, "to decree universal mediocrity." At a certain stage it brings forth the material agencies for its own dissolution.

From that moment new forces and new passions spring up in the bosom of society; but the old social organization fetters them and keeps them down. It must be annihilated; it is annihilated. Its annihilation, the transformation of the individualized and scattered means of production into socially concentrated ones, of the pigmy property of the many into the huge property of the few, the expropriation of the great mass of the people from the soil, from the means of subsistence, and from the means of labor—this fearful and painful expropriation of the mass of the people forms the prelude to the history of capital. It comprises a series of forcible methods, of which we have passed in review only those that have been epoch-making as methods of the primitive accumulation of capital. The expropriation of the immediate producers was accomplished with merciless vandalism, and under the stimulus of passions the most infamous, the most sordid, the pettiest, the most meanly odious. Self-earned private property, that is based, so to say, on the fusing together of the isolated independent laboring individual with the conditions of his labor, is supplanted by capitalistic private property, which rests on exploitation of the nominally free labor of others—that is, on wage-labor.

As soon as this process of transformation has sufficiently decomposed the old society from top to bottom, as soon as the laborers are turned into proletarians, their means of labor into capital, as soon as the capitalist mode of production stands on its own feet, then the further socialization of labor and further transformation of the land and other means of production into socially exploited and therefore common

means of production, as well as the further expropriation of private proprietors, takes a new form.

That which is now to be expropriated is no longer the laborer working for himself, but the capitalist exploiting many laborers. This expropriation is accomplished by the action of the imminent laws of capitalistic production itself, by the centralization of capital. One capitalist always kills many. Hand in hand with this centralization, or this expropriation of many capitalists by few, develop on an ever extending scale the co-operative form of the labor-process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labor into instruments of labor only usable in common, the economizing of all means of production by their use as the means of production of combined, socialized labor, the entanglement of all peoples in the net of the world-market, and with this, the international character of the capitalistic regime.

Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all the advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very process of capitalist production itself.

The monopoly of capital becomes a fetter upon the mode of production which has sprung up and flourished along with it and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labor of the proprietor. But capitalist production begets, with the inexorability of a law of nature, its own negation. It is the negation of negation. This does

not re-establish private property for the producer, but gives him individual property based on the acquisitions of the capitalist era—that is, on co-operation and the possession in common of the land and of the means of production.

The transformation of scattered private property, arising from individual labor, into capitalist private property, is naturally a process incomparably more protracted, violent, and difficult than the transformation of capitalistic private property, already practically resting on socialized production, into socialized property. In the former case, we had the expropriation of the mass of the people by a few usurpers; in the latter, we have the expropriation of a few usurpers by the mass of the people.

INDEX

A

Anarchism—19, 22.
Ancient Society, by Lewis Morgan, 67.
Anti-Jacobinism—160, 173.
Aristocratic "Socialism"—54, 55.
Aveling, Edward—23.

B

Babeuf, François Noel—11.
Bakunin, Michael—19, 27.
Blanc, Louis—70.
Books on Marxism and Socialism—23, 24.
Bourgeoisie defined—67, 68; origin and nature, 33 ff.

C

Cabet, Etienne—7, 28, 70.
Capital, by Marx—16, 30; extract from, 179-182.
Capital defined—93-96; composition of, 168.
——— and wage-labor, antagonistic and yet interdependent—21, 22, 97 ff, 103, 111.
Capitalism, modern, its origin—31-33; its process of growth, 34, 35; its self-destructive feature, 36 ff.
Chartism—8, 9, 64.
Child labor—9, 53.
Christian "Socialism"—55.
Civil War in France, The, by Marx—16, 29.
Class Struggles in France, by Marx—15.
Class struggles in history—31 ff., 67.
——— ——— are political struggles—40.
Combination Acts, British—10; similar legislation in France—11.
"Commodity," Marxian use of word—81, 82.
"Commune," original meaning of word—68.
Communism, Socialism, Social-Democracy, shifting of party names—18-20, 27, 28.
——— of early nineteenth century—11-14, 61-64.
Communist (or Third) International—20.
———League—14, 25, 26; attitude toward other opposition parties, 64 ff.
Communist Manifesto, origin of—13, 14, 25; comment on, 17-21, 29, 30; Engels' preface to, 25-30; text of, 30-65.
Competition among capitalists, its effects—39, 104-112; among workers, 40.
Condition of the Working Class in England, by Engels—3, 29.
Condorcet—7.
Conservative "Socialism"—60, 61.
Corn Laws, British—124, 171, 172.
Crises or industrial depressions—36, 37, 111, 162.
Critique of Political Economy, by Marx—161; extract from, 176, 177.
Culture, bourgeois—48, 49.
Currency and prices—125 ff.

D

D'Alembert—4.
Demand, increasing of, stimulates production and brings forth supply—125.
Democracy, winning of, the first step in proletarian revolution—52.
———, struggles for, prior to 1848—7-9.
Deutsch-Französische Jahrbucher—2.
Dialectic thought-method—5.
Diderot—4.

E

Economists, British—5.
Education—48, 49, 53.
Eighteenth Brumaire of Louis Bonaparte, by Marx—15; extract from, 177-179.
Eleanor Marx Aveling—23, 172.
"Emigrants and rebels"—53, 69.
Engels, Frederick—3, 5, 13, 14, 16, 21.
Equality of wages—146, 172, 173.
Equals, Society of—11.
"Eternal Truths"—51, 52, 58.
Exchange-value and use-value—81, 82.

F

Family, threatened destruction of; Marx's retort—48 ff.
Farmers, English and American—174, 175.
Fourier, Charles—7, 61, 70.

G

General strike—10.
Germany in 1848—65.
Godwin, William—7.
Gold and silver, effect of increased production—99.
Grand National Consolidated Trades Union—10.
Guilds in Middle Ages—31, 68.

H

Hegelian philosophy—4, 5.
Helvetius—4.
Holbach—4.
Hours of labor, prolonged under capitalism—38, 69; duty of working class to reduce them, 161.

I

"Idiocy of rural life"—35, 68.
Individuality and freedom, bourgeois conception of—46, 47.
Industrial Revolution of the Eighteenth Century—9.
Interest-rate, decline of—111.
International Working Men's Association, or First International—16, 26.
Internationalism, its economic basis—50.
"Iron Law of Wages"—174.

J

Just, League of the—12, 13.

K

Kautsky, Karl, edits Marx's *Theories of Surplus Value*, 16; his popularization of *Capital*, 22.
Kropotkin, Peter—19.

L

Labor and capital, their interests both antagonistic and interdependent—21, 22, 97 ff., 103, 111.
Labor-power as a commodity—37 ff., 68, 69, 72 ff., 85 ff.; its cost of production, 91, 92; its value, 144 ff.
Lassalle, Ferdinand—26, 66, 67, 174.
Legitimists—54, 69, 70.
Lenin, Nicholas—19.
Louis Napoleon (Napoleon III)—14.
Luddite disturbances—10, 39.

M

Machinery, social effects of—9, 37 ff., 69, 105 ff., 140, 141, 168, 169.
Malthus, Thomas Robert—173, 174.
Manufacturing system—32, 68.
Marx, Karl—2-4, 13-16, 28.
Marxism a self-critical system—21.
Materialism, French, of the eighteenth century—4.
Materialistic Conception of History—28, 29, 176, 177.
Maximum Laws—122, 171.
"Middle class," English use of the term—66.
Morgan, Lewis, American anthropologist—67.

N

Napoleon and the French Revolution—4.
National aspects of the class struggle—42, 43.
Neo-Malthusianism—174.
Neue-Rheinische Zeitung—15, 71.
New Unionism of 1889—172.
New York Tribune—15.

O

"Original Accumulation" of capital—145, 175, 179-182.
Owen, Robert—7, 61, 70.

P

Paris Commune of 1871—16, 29.
Party names—18-20.
Petty-Bourgeois "Socialism"—55-57.
Philosophy of Poverty, The, by Proudhon—2.
Plekhanoff, George—12, 24.
Poor Laws, English—165, 175.
Poverty of Philosophy, The, by Marx—2.
Prices, fluctuation of—87-91, 142.
Priestley, Joseph—7.
Principles of Political Economy, by Ricardo—5.
Principle of Population, by Malthus—173.
Profits, wages and prices, their relations—155 ff.
Proletarian movement, the movement of a majority—42; proletarian revolution, 177, 178.
Proletariat defined—68; its origin and historical development—37 ff.
Property, its various forms—45-47.
Proudhon, Pierre Joseph—2, 26, 60.

R

Reform Bill of 1832, British—8.
Restoration of the Bourbons, 1814-'30—7, 54, 69.
Revolution and Counter-Revolution, by Marx—15.
Revolution of 1830 in France—7, 8, 69.
Revolutionary Crisis of 1848—8, 14, 15.
Revolutionary Trade Unionism—10.
Rheinische Zeitung—2.
Rhineland—3, 4.
Ricardo, David—5, 6, 134.

Robespierre, Maximilien—122, 171.
Rogers, J. E. Thorold—69.
Rousseau, Jean Jacques—7.
Royalist parties in France—69, 70.
Rural life, effect of capitalism upon —35.

S

Saint-Simon, French Utopian—7, 61.
Shelley, his speculative radicalism—7.
Social-Democracy, French, in 1848—64, 70; later use of the term, 19, 20.
Social labor, or socially necessary labor—139 ff.
Socialism and Communism, significance of these words—18-20, 27, 28.
Socialism, Utopian and Scientific, by Engels—3, 5.
Socialist and Labor International —20.
Standard of living, social-historical element in—165, 174
State, the modern, a class agency—33, 53.
Supply and demand—87-91, 130 ff.
Surplus-value, production of—146 ff.; its distribution, 151 ff.

T

Ten-Hour Bill, British—40, 121, 122, 170, 171.
Theories of Surplus-Value, by Marx —16.
Trade Unionism—9-11, 26, 40, 69, 169, 170, 172, 173, 175.
"True Socialism"—57-60.

U

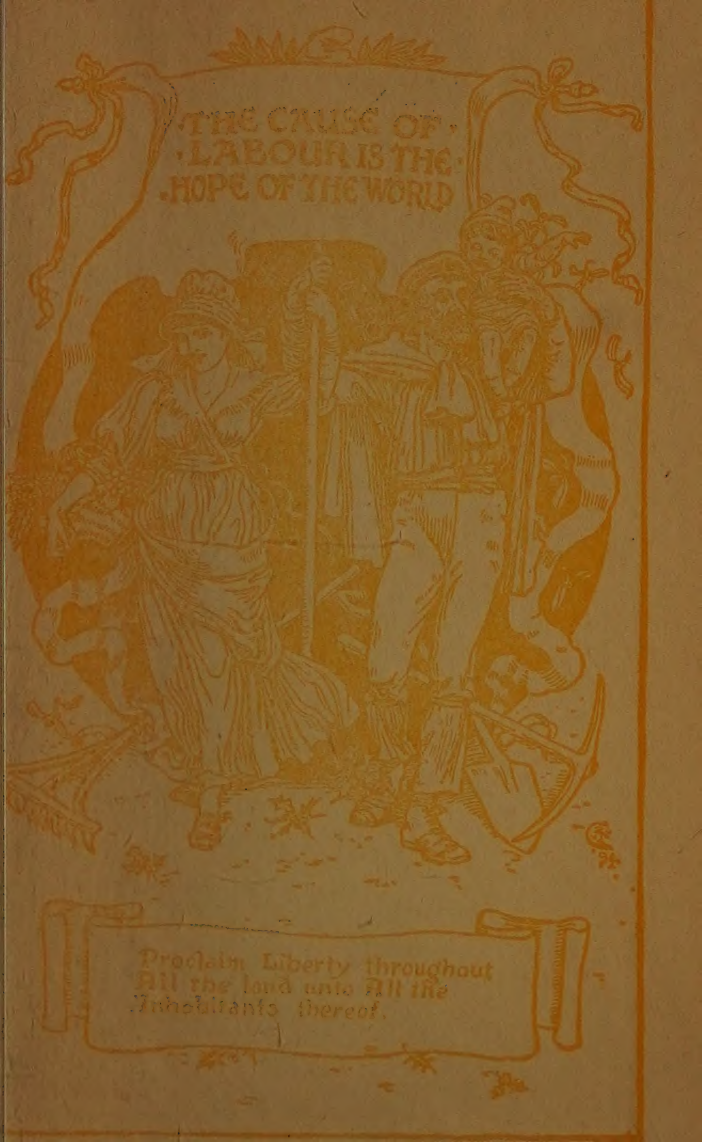
Use-value and exchange-value—81, 82.
Utopianism defined—12.
Utopian Socialism—7, 12, 61-64.

V

Value—134 ff.; law of value stated, 141.
Value, Price and Profit, by Marx—comment on, 22, 23; text of, 111-170.

W

Wage-Labor and Capital, by Marx—comment on, 21, 22; Engels' introduction to, 71-82; text of, 83-112.
Wage-rate, increase of, effect on prices and on rate of profit—117-119.
Wages the price of labor-power—85-87; money wages and real wages, 99; in relation to profit, 100, 101; tend to decline under capitalism, 108-111; and currency, 125 ff.; and prices, 132 ff.; cry for equality of, 146, 172, 173; so-called "Iron Law" of, 166, 173.
Weitling, William, German semi-utopian—28.
Weston's thesis, that increase of wages results in increased cost of living—22, 116, 124.
Working day, limitation of—166, 175.


THE CAUSE OF
LABOUR IS THE
HOPE OF THE WORLD
Proclaim Liberty throughout
All the land unto All the
Inhabitants thereof.